

Also, a bill (H. R. 13439) granting an increase of pension to William Rossman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13440) granting an increase of pension to Frank A. Higgins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13441) granting an increase of pension to James R. Hann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13442) granting an increase of pension to Daniel M. Morgan; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BATES: Petition of Edward Matlehner, secretary Cigar Makers' Union of Erie, Pa., protesting against House bill 11823; to the Committee on Ways and Means.

Also, resolution of Board of Trade of Erie, Pa., urging importance of an amendment to the corporation-tax law that companies may make returns as of close of fiscal year; to the Committee on Ways and Means.

By Mr. FRANCIS: Petition of voters of Fairpoint, Ohio, urging passage of the bill recommended by the Immigration Commission; to the Committee on Immigration and Naturalization.

By Mr. FULLER: Petitions of citizens of Morris and Seneca, Ill., for the creation of a department of health; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMOND: Resolutions of Mankato District of the National League of Postmasters, in favor of parcels post, etc.; to the Committee on the Post Office and Post Roads.

By Mr. JACOWAY: Papers to accompany House bill 13375; to the Committee on War Claims.

By Mr. KAHN: Petition of California Society, Sons of the American Revolution, urging the appropriation of \$25,000 to repair the U. S. S. *Portsmouth*, etc.; to the Committee on Naval Affairs.

Also, petition of Chamber of Commerce of San Diego, Cal., favoring immediate legislation regulating tolls for use of Panama Canal; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of New York: Resolutions of the Switchmen's Union of America, requesting Congress to pass legislation to have cast a bronze tablet or bust commemorating the work of the late Edward A. Moseley while secretary to the Interstate Commerce Commission; to the Committee on the Library.

SENATE.

THURSDAY, August 10, 1911.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.
The journal of yesterday's proceedings was read and approved.

HOUSE BILL REFERRED.

H. R. 6747. An act to reenact an act authorizing the construction of a bridge across St. Croix River, and to extend the time for commencing and completing the said structure, was read twice by its title and referred to the Committee on Commerce.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills:

S. 144. An act to legalize a bridge across the Pend Oreille River, in Stevens County, Wash.;

S. 850. An act to amend an act entitled "An act to legalize and establish a pontoon railway bridge across the Mississippi River at Prairie du Chien, and to authorize the construction of a similar bridge at or near Clinton, Iowa," approved June 6, 1874;

S. 1627. An act to authorize the construction, maintenance, and operation of a bridge across and over the Arkansas River, and for other purposes;

S. 2766. An act to authorize the St. Louis, Iron Mountain & Southern Railway Co. to construct and operate a bridge across the St. Francis River, in the State of Arkansas, and for other purposes; and

S. 2878. An act to authorize the Chicago, Lake Shore & Eastern Railway Co. to construct a bridge across the Calumet River, in the State of Indiana.

The message also announced that the House had passed the bill (S. 2495) to define and classify health, accident, and death benefit companies and associations operating in the District of Columbia, and to amend section 653 of the Code of Law for the District of Columbia, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4682. An act authorizing the construction of a bridge and approaches thereto across the Tug Fork of the Big Sandy River at or near Glenhayes Station, in Wayne County, W. Va.;

H. R. 7690. An act to authorize the construction of a bridge across the Snake River at the town of Nyssa, Oreg.;

H. R. 8146. An act to construct a bridge across Rock River at or near Colona Ferry, in the State of Illinois;

H. R. 8653. An act to give the District of Columbia a right of appeal to the Supreme Court of the United States in patent cases;

H. R. 11477. An act authorizing the construction of a bridge and approaches thereto across the Tug Fork of the Big Sandy River at or near Matewan Station, in Mingo County, W. Va.;

H. R. 11545. An act to authorize and direct the Commissioners of the District of Columbia to place the name of Annie M. Matthews on the pension roll of the police and firemen's pension fund; and

H. R. 11723. An act permitting the building of a railroad bridge across the St. Croix River between Burnett County, Wis., and Pine County, Minn.

The message also transmitted resolutions of the House on the death of Hon. WILLIAM P. FRYE, late a Senator from the State of Maine, and announced that the Speaker of the House had appointed Mr. HINDS, Mr. MCGILLICUDDY, Mr. GOULD, Mr. GUERNSEY, Mr. ADAMSON, Mr. STEVENS of Minnesota, Mr. MANN, Mr. CANNON, Mr. CULOP, Mr. SHERWOOD, Mr. NYE, Mr. COX of Indiana, Mr. PETERS, Mr. LAWRENCE, Mr. REILLY, and Mr. MOON of Pennsylvania the committee on the part of the House to attend the funeral.

ENROLLED JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the joint resolution (H. J. Res. 1) to amend certain appropriation acts approved March 4, 1911, and it was thereupon signed by the Vice President.

DEATH OF SENATOR WILLIAM P. FRYE.

The VICE PRESIDENT presented a resolution adopted by the Maritime Association of the Port of New York, which was ordered to lie on the table and to be printed in the RECORD, as follows:

THE MARITIME ASSOCIATION OF THE PORT OF NEW YORK,
78 Broad Street, New York, August 9, 1911.

Hon. JAMES S. SHERMAN,
Vice President of the United States, Washington, D. C.

DEAR SIR: I have the honor to transmit below resolutions adopted by the board of directors of this association at a regular monthly meeting held this day, viz:

"Whereas the board of directors of the Maritime Association of the Port of New York has learned with deep regret of the death of Hon. WILLIAM P. FRYE, senior Senator from the State of Maine; and

"Whereas, representing as he did for many years a constituency occupying an important position in the shipping and commercial world, Senator FRYE from the outset of his career became an ardent champion of the shipping interests of our country, rendering such service as to place these interests under lasting obligations to his memory: Therefore be it

"Resolved, That this board realizes that in his death our association has lost a valued friend, who invariably aided in the furtherance of measures advocated by our organization; that the maritime and commercial interests have suffered an irreparable loss, and that in the councils of Congress, where his varied and expert knowledge in all affairs pertaining to shipping was ever at their disposal, he will be sadly missed, and that the country at large is deprived of the services of an honored statesman, whose voice was ever on the side of right and whose career is worthy of emulation; and be it further

"Resolved, That a copy of this resolution be transmitted to the family of the deceased and to the Vice President of the United States."

Very respectfully,

WILLIAM SIMMONS,
President pro tempore.

Attest:

C. LYNN BUNDY.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a resolution adopted by the Assembly of the State of New York, which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

In assembly, February 27, 1911. Mr. Brooks offered for the consideration of the house a resolution in the words following:

Whereas the election of a President of the United States every four years tends to unsettle the economic and commercial conditions of the country for a year preceding and succeeding such election; and

Whereas the Presidents of the United States with few exceptions have been renominated necessitating the devotion of much of their time to political campaigning for reelection: Be it therefore

Resolved (if the senate concur), That the Legislature of the State of New York respectfully requests the Congress of the United States to submit to the legislatures of the several States for ratification a proposed amendment to the Federal Constitution extending the term of the President of the United States to the period of six years, and further

amending the Constitution so that no President can serve more than one term; and be it further

Resolved (if the senate concur), That the speaker of the assembly and the lieutenant governor transmit to the Speaker of the House of Representatives and to the Vice President copies of this resolution.

July 19, 1911. The senate returned the concurrent resolution in relation to extending the term of the President of the United States with a message that they have concurred in the passage of the same without amendment.

STATE OF NEW YORK, County of Albany, ss:

I, Daniel D. Frisbie, speaker of the Assembly of the State of New York, do hereby certify that I have compared the foregoing resolution with the original thereof contained in the original documentary copy of the journal of proceedings of the assembly of February 27 and July 19, so far as it relates to the proceedings had and taken by the assembly on said dates with reference to said resolution and that the foregoing is a correct transcript of said proceedings and of said resolution and of the whole thereof.

In witness whereof I have hereunto set my hand this — day of August, 1911.

DANIEL D. FRISBIE, Speaker.

The VICE PRESIDENT presented a resolution adopted by the Assembly of the State of New York, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

State of New York, in Assembly, Albany, July 12, 1911. Mr. A. J. Levy offered for the consideration of the house a resolution in the words following:

"Whereas it is, and always has been, a fundamental principle of our Government that the rights of its citizens shall not be impaired at home or abroad because of religious belief; and

"Whereas our Government concludes its treaties for the equal protection of all classes of its citizens without regard to its religious belief; and

"Whereas our Government, on the 18th day of December, 1832, at St. Petersburg, concluded a treaty with Russia, in which it was provided that the inhabitants of our respective States 'shall be at liberty to sojourn and reside in all parts whatsoever of said territory in order to attend to their affairs, and they shall enjoy to that effect the same security and protection as natives of the country wherein they reside, on condition of their submitting to the laws and ordinances there prevailing, and particularly to the regulations in force concerning commerce'; and

"Whereas the Government of Russia has violated the aforesaid treaty by construing the foregoing provision to mean that American citizens of Jewish faith are subject in Russia to the same class restrictions that Russia imposes upon Russian inhabitants of Jewish faith to sojourn and reside in Russia in order to attend to their affairs and to enjoy to that effect the same security and protection as non-Jewish native Russians, and by refusing to honor American passports issued to American citizens of Jewish faith; and

"Whereas Hon. HENRY M. GOLDFOOLE, Hon. WILLIAM SULZER, and Hon. FRANCIS BURTON HARRISON have each introduced in the House of Representatives of the United States a joint resolution calling for the abrogation of the aforementioned treaty between the United States of America and Russia because of the foregoing: Therefore be it

Resolved (if the senate concur), That the Representatives in Congress from this State be requested to vote in favor of a joint resolution to terminate the aforementioned treaty between the United States of America and Russia because of unjust and unwarranted discrimination by the latter country against persons of the Jewish faith; and be it further

Resolved, That the president of the senate and the speaker of the assembly transmit a copy of this resolution to the Senate and House of Representatives of the United States."

In senate, July 17, 1911. Concurred in without amendment. By order of the senate, Patrick E. McCabe, clerk.

STATE OF NEW YORK, County of Albany, ss:

I, Daniel D. Frisbie, speaker of the Assembly of the State of New York, do hereby certify that I have compared the foregoing resolution with the original thereof contained in the original documentary copy of the journal of proceedings of the assembly of July 12 and 17, 1911, so far as it relates to the proceedings had and taken by the assembly on said dates with reference to said resolution, and that the foregoing is a correct transcript of said proceedings and of said resolution and of the whole thereof.

In witness whereof I have hereunto set my hand this — day of July, 1911.

DANIEL D. FRISBIE, Speaker.

Mr. BRANDEGEE presented a memorial of Local Division No. 1, Ancient Order of Hibernians, of Wallingford, Conn., and a memorial of the John Mitchell Literary Club, of Wallingford, Conn., remonstrating against the ratification of the proposed treaty of arbitration between the United States and Great Britain, which were referred to the Committee on Foreign Relations.

Mr. NIXON presented a memorial of the Grattan Club, of Goldfield, Nev., remonstrating against the ratification of the proposed treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

Mr. JONES presented memorials of Green Lake Post, No. 112, of Seattle; of Silas Casey Post, No. 74, of Friday Harbor; and of J. J. Lewis Post, No. 34, all of the Department of Washington, Grand Army of the Republic, in the State of Washington, remonstrating against the appropriation of \$100,000 for the erection of a monument at Vicksburg in honor of the Confederate soldiers, which were ordered to lie on the table.

Mr. BRISTOW presented a memorial of sundry citizens of Bird City and McDonald, in the State of Kansas, remonstrating against the passage of the so-called Johnston Sunday rest bill, which was ordered to lie on the table.

He also presented a paper to accompany the bill (S. 2882) granting an increase of pension to Tillman H. Elrod, which was referred to the Committee on Pensions.

Mr. PERKINS presented a petition of the board of supervisors of Madera County, Cal., praying that an appropriation be made to exterminate the ground squirrels and other rodents in that county, which was referred to the Committee on Agriculture and Forestry.

THE CITRUS-FRUIT INDUSTRY IN CALIFORNIA.

Mr. PERKINS. Mr. President, I present telegraphic memorials from many citrus-fruit organizations of California, protesting against placing lemons on the free list and praying that they be given an opportunity of being heard in relation to the subject matter. There is approximately \$166,000,000 invested in the citrus-fruit industry, and 150,000 citizens of the United States and residents of the State of California are directly dependent on that industry for a livelihood. Without congressional consideration this great industry will be destroyed. On account of the number of telegrams, I do not ask that they be printed in the RECORD, but will request that the list of signers which I send to the clerk's desk follow my statement.

There being no objection, the memorials were ordered to lie on the table, and the list of signers was ordered to be printed in the RECORD, as follows:

California Fruit Growers' Exchange, Los Angeles, Cal.; Claremont Citrus Association, Claremont, Cal.; Indian Hill Citrus Association, North Pomona, Cal.; Pasadena Board of Trade, Pasadena, Cal.; Laverne Growers' Association, Lordsburg, Cal.; Pomona Fruit Growers' Exchange, Pomona, Cal.; San Antonio Fruit Exchange, Pomona, Cal.; Santa Paula Citrus Association, Santa Paula, Cal.; Alhambra Orange Growers' Association, Alhambra, Cal.; Placentia Orange Growers' Association, Fullerton, Cal.; Charles C. Chapman, Fullerton, Cal.; College Heights Orange Association, Claremont, Cal.; Walnut Fruit Growers' Association, Walnut, Cal.; Johnston Fruit Co., Santa Barbara, Cal.; Glendora Heights Orange & Lemon Growers' Association, Glendora, Cal.; Redlands Fruit Association, Redlands, Cal.; Etiwanda Citrus Fruit Growers' Association, Etiwanda, Cal.; Citrus Fruit Association, Ontario, Cal.; Highlands Exchange Association, Highlands, Cal.; Covina Orange Growers' Association and Covina Citrus Association, Covina, Cal.; Ontario Cucamonga Fruit Exchange, Upland, Cal.; Mountain View Orange & Lemon Growers' Association, Upland, Cal.; Drake Citrus Association, Lindsay, Cal.; Cucamonga Lemon Association, Cucamonga, Cal.; Lindsay Fruit Association, Lindsay, Cal.; Cucamonga Citrus Growers' Association, Cucamonga, Cal.; West Ontario Citrus Association, Ontario, Cal.; Uplands Heights Orange Association, Upland, Cal.; Lemon Growers' Exchange, Upland, Cal.; Lemon Grove Fruit Growers' Association, Lemongrove, Cal.; Tulare County Citrus Fruit Exchange, Porterville, Cal.; Porterville Citrus Association, Porterville, Cal.; Tulare County Citrus Association, Porterville, Cal.; Zeante Citrus Association, Porterville, Cal.; Bloomington Fruit Association, Bloomington, Cal.; Upland Citrus Association, Upland, Cal.; Glendora Citrus Association, Glendora, Cal.; Redlands Cooperative Association, Redlands, Cal.; Limonerie Co., Santa Paula, Cal.; Stewart Citrus Association, Upland, Cal.; Hemet Orange Growers' Association, Hemet, Cal.; Gold Buckle Association, East Highlands, Cal.; Central California Citrus Exchange, Lindsay, Cal.; Kaweah Lemon Co., Lemmoncove, Cal.; I. L. Lyon & Sons, Redlands, Cal.; Orange Heights Fruit Association, Corona, Cal.; Lemmoncove Association, Lemmoncove, Cal.; J. H. Flagler Association, Corona, Cal.; Corona Citrus Association, Corona, Cal.; Arlington Heights Fruit Co., Riverside, Cal.; Victoria Avenue Citrus Association, Riverside, Cal.; Sierra Madre Lamanda Citrus Association, Lamanda Park, Cal.; N. W. Blanchard, Santa Paula, Cal.; San Diego Chamber of Commerce, San Diego, Cal.; Sweetwater Fruit Co., Bonita, Cal.; West Highlands Citrus Association, Highlands, Cal.; Sparr Fruit Co., Los Angeles, Cal.; Charter Oak Citrus Association, Covina, Cal.; Irwindale Citrus Association, Azusa, Cal.; W. H. Jameson, Corona, Cal.; Pasadena Orange Growers' Association, Pasadena, Cal.; A. C. G. Fruit Exchange, Azusa, Cal.; Highlands Orange Growers' Association, Highlands, Cal.; Fair Oaks Fruit Co., Fair Oaks, Cal.; Escondido Fruit Growers' Association, Escondido, Cal.; San Dimas Orange Growers' Association, San Dimas, Cal.; San Dimas Board of Trade, San Dimas, Cal.; San Diego Fruit Co., San Diego, Cal.; Leffingwell Ranchers' Association, Los Angeles, Cal.; C. San Dimas Lemon Association, San Dimas, Cal.; Rialto Orange-Lemon Association, Rialto, Cal.; Citrus Protective League, Los Angeles, Cal.; Redlands Board of Trade, Redlands, Cal.; Riverside Chamber of Commerce and Riverside Business Men's Association, Riverside, Cal.; Los Angeles Chamber of Commerce, Los Angeles, Cal.; Clyde Bishop, assemblyman seventy-seventh district, California, Santa Ana, Cal.; San Francisco Chamber of Commerce, San Francisco, Cal.; Hon. Cornelius Cole, Los Angeles, Cal.; Ventura Chamber of Commerce, Ventura, Cal.; Oakland Chamber of Commerce, Oakland, Cal.

THE COTTON SCHEDULE.

Mr. SMOOT. I am directed by the Committee on Finance to report adversely the bill (H. R. 12812) to reduce the duties on manufactures of cotton. (S. Rept. 133.)

The VICE PRESIDENT. Without objection, indefinite postponement will be the action thereon. Is that the course suggested by the Senator from Utah?

Mr. SMOOT. No; I want to have it go on the calendar.

Mr. CUMMINS. I have some objection to the order suggested by the Chair.

The VICE PRESIDENT. On the request of the Senator from Utah the bill will go to the calendar.

Mr. SMOOT. I asked that it should go to the calendar; and I ask unanimous consent that the bill just reported be made the unfinished business.

Mr. OVERMAN. The unfinished business for to-day?

Mr. SMOOT. No; the unfinished business.

Mr. OVERMAN. I rise to a point of order. Can that be done except by unanimous consent? The bill having been reported this morning, can we consider it even to-day?

The VICE PRESIDENT. That can not be done except by unanimous consent.

Mr. OVERMAN. I object.

The VICE PRESIDENT. It can not be made the unfinished business until after it is taken up if objection is made.

Mr. HEYBURN. In order that the Record may not show an anomalous condition, there is no such motion in order as to make any measure the unfinished business.

The VICE PRESIDENT. No motion was made. It was a request for unanimous consent.

Mr. HEYBURN. We can not make it the unfinished business by motion.

The VICE PRESIDENT. No such motion is in order; certainly not. The bill will be placed on the calendar with the adverse report of the committee.

CITY OF CRAWFORD, NEBR.

Mr. BROWN. From the Committee on Military Affairs I report back favorably without amendment the bill (H. R. 12051) for the relief of the city of Crawford, in the State of Nebraska, and I ask for its present consideration.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It grants to the city of Crawford, Nebr., a right of way across the military reservation of Fort Robinson, Nebr., at such location as may be determined by the city of Crawford and approved by the Secretary of War, to construct and maintain a pipe line for the purpose of carrying water from a point beyond the said military reservation across the reservation and to the city of Crawford. But the entire cost of construction and maintenance shall be paid by the city of Crawford; and the pipe shall be covered and the surface restored to its present condition by and at the expense of the city of Crawford.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

REPORTS OF COMMITTEE ON COMMERCE.

Mr. MARTIN of Virginia, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 6098. A bill to authorize the Campbell Lumber Co. to construct a bridge across the St. Francis River from a point in Dunklin County, Mo., to a point in Clay County, Ark. (Rept. No. 131); and

H. R. 11021. A bill to authorize the Levitte Land & Lumber Co. to construct a bridge across Bayou Bartholomew, in Drew County, Ark. (Rept. No. 132).

MISSISSIPPI RIVER BRIDGE AT LOGAN, MINN.

Mr. MARTIN of Virginia. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 7693) to authorize the town of Logan, Aitkin County, Minn., to construct a bridge across the Mississippi River in Aitkin County, Minn., and I submit a report (No. 129) thereon.

Mr. NELSON. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ARKANSAS RIVER BRIDGE AT PINE BLUFF, ARK.

Mr. MARTIN of Virginia. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 11022) to authorize the bridge directors of Jefferson County bridge district to construct a bridge across the Arkansas River at Pine Bluff, Ark., and I submit a report (No. 130) thereon.

Mr. CLARKE of Arkansas. I ask unanimous consent for the present consideration of the bill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CRAWFORD:

A bill (S. 3192) granting an increase of pension to William Boyce (with accompanying paper); and

A bill (S. 3193) granting an increase of pension to Myron H. Isbell (with accompanying paper); to the Committee on Pensions.

By Mr. POMERENE:

A bill (S. 3194) to revise section 985 of the Revised Statutes of the United States; to the Committee on the Judiciary.

By Mr. TAYLOR:

A bill (S. 3195) for the relief of the Cumberland Presbyterian Church of Murfreesboro, Tenn.; and

A bill (S. 3196) for the relief of the trustees of Soule College, successors of Soule Female College, of Murfreesboro, Tenn.; to the Committee on Claims.

Mr. CULLOM. At the request of Gen. King, of Louisiana, I introduce a bill, which I ask may be referred to the Committee on Post Offices and Post Roads.

The bill (S. 3197) to establish a commission; to create a national interstate highway system; to effect preliminary surveys of seven national interstate highways and the establishment of said highways. Said highways to be constructed from Washington, the Capital of the United States, respectively, to Portland, Me.; to Niagara Falls, N. Y.; to Seattle, Wash.; to San Francisco, Cal.; to Los Angeles, Cal.; to Austin, Tex.; and to Miami, Fla.; and for which surveys and maps, profiles, and estimates of the same, for the use of the Congress of the United States, the sum of \$1,000,000, or so much thereof as may be necessary, is hereby authorized, to be expended out of any moneys in the Treasury of the United States not otherwise appropriated, said national interstate highways to be trunk-line highways, to which branch highways and good roads can be established throughout the country, was read twice by its title and referred to the Committee on Post Offices and Post Roads.

By Mr. PENROSE:

A bill (S. 3198) to increase the limit of cost of the public building authorized to be constructed at Gettysburg, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. CULLOM:

A joint resolution (S. J. Res. 51) to amend the joint resolution of May 25, 1908, providing for the remission of a portion of the Chinese indemnity; to the Committee on Foreign Relations.

By Mr. CLAPP:

A joint resolution (S. J. Res. 52) directing the Secretary of the Navy to commission a warship to convey the remains of Theodore Ruggles Timby from the city of Brooklyn, N. Y., to the city of Washington, D. C., on the 12th of October, 1911, for burial in the city of Washington; to the Committee on Naval Affairs.

WITHDRAWAL OF PAPERS—JOSEPHINE M. BUCK.

On motion of Mr. BORAH, it was

Ordered, That the papers in the case of Josephine M. Buck, S. 1957, Sixty-second Congress, be withdrawn from the files of the Senate, no adverse report having been made thereon.

TRAVELING EXPENSES OF SENATE EMPLOYEES.

Mr. BRADLEY submitted the following resolution (S. Res. 132), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That there shall be paid to the officers and employees of the Senate borne on the annual and session rolls on the 1st day of July, 1911, out of the contingent fund of the Senate, the sum of \$125 each, for traveling expenses incident to the first session of the Sixty-second Congress, the same to be immediately available.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following acts:

On August 10, 1911:

S. 1149. An act permitting the Minneapolis, St. Paul & Sault Ste. Marie Railway Co. to construct, maintain, and operate a railroad bridge across the St. Croix River between the States of Wisconsin and Minnesota;

S. 2732. An act to authorize the Providence, Warren & Bristol Railroad Co., and its lessee, the New York, New Haven & Hartford Railroad Co., or either of them, to construct a bridge across the Palmers or Warren River, in the State of Rhode Island; and

S. 2768. An act to authorize the St. Louis-Kansas City Electric Railway Co. to construct a bridge across the Missouri River at or near the town of Weldon Springs Landing, Mo.

HEALTH, ACCIDENT, AND LIFE INSURANCE COMPANIES.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2495) to define and classify health, accident, and death benefit companies and associations operating in the District of Columbia, and to amend section 653 of the Code of Law for the District of Columbia, which were, on page 1, line 5, to strike out "enacting" and to insert "inserting"; on page 2, line 3, to strike out "provide" and to insert "provides"; on page 2, line 6, after "associations," to strike out "Every such company or association shall, within 90 days from the passage of this act" and to insert "After 90 days from the passage of this act no such company or association shall transact business within the District of Columbia unless it shall"; on page 2, line 11, after the words "United States," to strike out "municipal, or railroad bonds, or in real estate, or in mortgages or deeds of trust on real estate" and to insert "State, county, municipal bonds, and bonds of the District of Columbia, or railroad bonds; but investments in the bonds of railroads shall be limited to the bonds of those railroads which have paid dividends on their capital stocks for the 10 years immediately previous to the date of the investment; or in improved real estate, or in first mortgages on improved real estate; but no loan on real estate shall be made for an amount exceeding 70 per cent of its assessed value"; on page 2, line 12, before "mortgages," to insert "first"; on page 2, line 22, to strike out "have" and insert "has"; on page 3, line 15, after the word "shall," to strike out "have the power to," and after the words "time to time" insert "and at least as often as once a year"; and on page 3, line 17, after "capital stock," to strike out "or assets of any such company or association impaired" and insert "of any such company impaired or its assets reduced in value."

Mr. CURTIS. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on Commerce:

H. R. 4682. An act authorizing the construction of a bridge and approaches thereto across the Tug Fork of the Big Sandy River at or near Glenhayes Station, in Wayne County, W. Va.;

H. R. 7690. An act to authorize the construction of a bridge across the Snake River at the town of Nyssa, Oreg.;

H. R. 8146. An act to construct a bridge across Rock River at or near Colona Ferry, in the State of Illinois;

H. R. 11477. An act authorizing the construction of a bridge and approaches thereto across the Tug Fork of the Big Sandy River at or near Matewan Station, in Mingo County, W. Va.; and

H. R. 11723. An act permitting the building of a railroad bridge across the St. Croix River between Burnett County, Wis., and Pine County, Minn.

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia:

H. R. 8653. An act to give the District of Columbia a right of appeal to the Supreme Court of the United States in patent cases; and

H. R. 11545. An act to authorize and direct the Commissioners of the District of Columbia to place the name of Annie M. Matthews on the pension roll of the police and firemen's pension fund.

NATIONAL MONETARY COMMISSION.

Mr. CUMMINS. I ask unanimous consent to take up for consideration the bill (S. 854) to require the National Monetary Commission to make final report on or before December 4, 1911, and to repeal sections 17, 18, and 19 of the act entitled "An act to amend the national banking laws," approved May 30, 1908, the repeal to take effect December 5, 1911.

The VICE PRESIDENT. The Senator from Iowa asks unanimous consent for the present consideration of Senate bill 854. Is there objection?

Mr. BURTON. I do not think that bill ought to pass without extended discussion. I object to its consideration.

The VICE PRESIDENT. Objection is made.

Mr. CUMMINS. I move that the Senate proceed to the consideration of Senate bill 854.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Iowa.

Mr. BURTON. I call for a ye-and-nay vote on the motion. The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. STONE]. In his absence, I withhold my vote.

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Indiana [Mr. KERN], and vote "yea."

Mr. BURNHAM (when Mr. GALLINGER's name was called). I desire to state that my colleague [Mr. GALLINGER] is necessarily absent. He is paired with the Senator from Arkansas [Mr. DAVIS].

Mr. WILLIAMS (when Mr. PENROSE's name was called). I have a general pair with the Senator from Pennsylvania [Mr. PENROSE]. I am informed that if he were present he would vote the same way I would vote on this question. Therefore, when my name is called, I shall vote. I merely announce the pair now.

Mr. SMITH of South Carolina (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. RICHARDSON]. He not being present, I shall withhold my vote.

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from New Jersey [Mr. BRIGGS], and therefore withhold my vote.

Mr. WILLIAMS (when his name was called). According to the announcement previously made, I will vote. I vote "yea." But I again announce my general pair with the Senator from Pennsylvania [Mr. PENROSE].

The roll call was concluded.

Mr. FOSTER. I have a general pair with the junior Senator from Wyoming [Mr. WARREN], who is absent, and therefore I withhold my vote.

Mr. TAYLOR. My colleague [Mr. LEA] is absent from the city on account of illness in his family.

The result was announced—yeas 40, nays 11, as follows:

YEAS—40.

Bankhead	Cullom	Martin, Va.	Simmons
Borah	Cummins	Martine, N. J.	Smith, Mich.
Bourne	Fletcher	Myers	Smoot
Bristow	Gamble	Nelson	Stephenson
Brown	Heyburn	Newlands	Swanson
Bryan	Johnson, Me.	Overman	Taylor
Chamberlain	Johnston, Ala.	Poindexter	Thornton
Clapp	Jones	Pomerene	Townsend
Clarke, Ark.	La Follette	Root	Williams
Culberson	Lodge	Shively	Works

NAYS—11.

Bailey	Burnham	Guggenheim	Page
Bradley	Burton	Nixon	Perkins
Brandegee	Crane	Oliver	

NOT VOTING—38.

Bacon	Foster	McCumber	Smith, Md.
Briggs	Gallinger	McLean	Smith, S. C.
Chilton	Gore	O'Gorman	Stone
Clark, Wyo.	Gronna	Owen	Sutherland
Crawford	Hitchcock	Paynter	Tillman
Curtis	Kenyon	Penrose	Warren
Davis	Kern	Percy	Watson
Dillingham	Lea	Rayner	Wetmore
Dixon	Lippitt	Reed	
du Pont	Lorimer	Richardson	

So the motion was agreed to, and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 854) to require the National Monetary Commission to make final report on or before December 4, 1911, and to repeal sections 17, 18, and 19 of the act entitled "An act to amend the national banking laws," approved May 30, 1908, the repeal to take effect December 5, 1911.

Mr. CUMMINS. Mr. President, I shall be as brief in stating the case made by this bill as it is possible for me to be. The bill is before the Senate upon a favorable report by the Committee on Finance. It was introduced early in the present session, and I assume that every Senator knows, in a general way, its scope and purpose.

In 1907 there prevailed throughout the United States what has come to be known as a financial panic, or, as still better known, a bankers' panic. It was believed by very many people that the panic could have been averted, or at least very much minimized, if the United States had had a reasonable and effective financial or banking system; and an imperative demand arose for some immediate reform in our banking system. The demand resulted in the passage of what is known as an emergency bill in 1908, in which certain additions were made to our law respecting the issuance of national currency and the operation of national banks. I think it was assumed and understood by everybody at that time that that bill was passed only for the purpose of providing for an emergency that might ensue before Congress had the opportunity to pass a well-considered and comprehensive law upon the subject. Therefore, as a part of the bill, what is known as the National Monetary Commission was

established. It was established with the thought on the part of Congress, I am sure, and I know upon the part of the country at large, that within a reasonable time the distinguished men who became a part of the Monetary Commission should make known their views to Congress, so that it might adopt such legislation as would have a tendency to prevent panics in the future. Three years and two or three months have elapsed since the Monetary Commission was organized and began its work, and still there is no report from it, and Congress has done nothing, and naturally will do nothing, upon the subject until the commission shall report.

The commission has traveled all over the United States, and some of its members, at least, have traveled all over Europe in the quest for information. I do not intend to disparage the work of the commission; I do not in the least intend to criticize the methods it has employed, but I shall presently present a reason which is sufficient for me to indicate that the time has come when it should cease its labors and give to Congress the result of its investigations.

I agree to the wisdom of the commission. I agree that Congress appropriately selected the commission to furnish the information upon the subject; but nearly three years and a half have passed, and in the meantime the commission—which, I think I may say without offense, is largely composed of men, distinguished as they are, who have not contributed very much to the formation of any plan which may come from the commission—has spent something like \$230,000, and still there is no evidence that Congress is to shortly receive the benefits of its investigation.

The commission has collected a series of monographs upon financial matters, all of which, I think, are interesting and most of which are curious, but not a tithe of which will ever be read by any Member of Congress and not a tithe of which are necessary in determining the problem which the American people have now to solve. I do not object to the selection of literature upon financial propositions. Some day or other we will avail ourselves of these 40 or more monographs, which have been written by persons selected by the commission and which have been paid for out of the treasury of the commission. I only say that they have done enough to fully inform themselves of all that is to be known with regard to this important subject.

I have here a detailed account of the work of the commission. I will not at this moment read even the titles of these monographs. I simply repeat that they are about 40 in number, and they cost the commission \$86,861.92; and some of this money was paid to men who already were drawing full salaries from the Government on account of the occupation of other positions. While this may be a small matter, the only thing in which I criticize the commission is the extravagance that is manifest in the report of its expenses—\$86,861.92, and of that there was paid to Mr. A. Platt Andrew, who, as I understand, is a valuable clerk or employee of the Treasury Department, \$8,366.66. I could mention other payments of somewhat like character, but I will not do so at this moment.

The commission has, in addition to the preparation of these original pamphlets or monographs, collected a library relating to financial subjects, a thing very proper for the commission to have done, and undoubtedly the Members of Congress will in the days to come reap great advantage from their studies in this library; but there is one peculiar thing about it. It paid for the purchase of books \$4,545.86, and it has paid for the services of a librarian to take care of those \$4,545.86 worth of books, \$4,249.84. I can not think that the Congress of the United States will approve that; and I am told, although I may not be right with respect to it—and I will be corrected, I am sure, if I am wrong—that the gentleman to whom the \$4,249.84 was paid as librarian is also or was also an employee of the Government, and in some form or other drawing additional compensation from our Treasury.

I ask, Mr. President, that the letter of the Secretary of the Treasury, which I hold in my hand, transmitting, in response to a House resolution of May 8, 1911, a statement of expenditures on account of the National Monetary Commission from June 5, 1908, to March 31, 1911, be printed as a part of my remarks.

The VICE PRESIDENT. Without objection, the request will be complied with.

The letter referred to is as follows:

EXPENSES OF THE NATIONAL MONETARY COMMISSION.

Letter from the Secretary of the Treasury, transmitting, in response to House resolution of May 8, 1911, statement of expenditures on account of the National Monetary Commission from June 5, 1908, to

March 31, 1911. May 16, 1911.—Referred to the Committee on Expenditures in the Treasury Department and ordered to be printed.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, May 12, 1911.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Sir: By direction of the President, and in reply to the resolution of the House of Representatives of May 8, 1911, calling for a detailed statement showing the moneys paid out on account of the National Monetary Commission created by act of Congress of May 30, 1908, I have the honor to transmit herewith a statement of the expenditures of the commission from June 5, 1908, to March 31, 1911, prepared from accounts rendered to and filed in this department.

Respectfully,

FRANKLIN MACVEAGH, Secretary.

Statement of expenditures on account of the National Monetary Commission from June 5, 1908, to Mar. 31, 1911, as shown by the accounts of R. B. Nison, disbursing clerk of the commission.

PREPARATION OF MONOGRAPHS.

Interviews on the Banking and Currency Systems of England, France, Germany, Switzerland, and Italy (S. Doc. 405, 541 pages; price, 55 cents):	
Clerical assistance	\$230.87
Translation	48.75
Travel	2,094.70
	\$2,373.82
Statistics for Great Britain, Germany, and France, 1867-1908, prepared by Sir R. H. Inglis Palgrave, F. R. S., F. W. Hirst, B. Breslau, Robert Franz, Albert Aupetit, and M. Lefevre (S. Doc. 578, 354 pages; price, \$1):	
Authors	7,265.27
Clerical assistance	2,666.88
Translation	134.00
	10,065.65
The Credit of Nations and the Trade Balance of the United States, by Francis W. Hirst, editor of the Economist, and George Paish, editor of the Statist (S. Doc. 579, 213 pages; price, 30 cents):	
Authors	1,500.00
Clerical assistance	20.00
	1,520.00
Fiscal Systems of England, France, Germany, and the United States, by J. O. Manson, Chief of Division of Accounts, Redemption, and Issues, United States Treasury Department (S. Doc. 403, 86 pages; price, 15 cents):	
Travel	795.35
Notes on the Postal Savings Bank Systems of the Leading Countries (S. Doc. 658, 123 pages; price, 25 cents):	
Clerical assistance	3,103.58
Translation	17.00
	3,120.58
Bank Acceptances, by Lawrence Merton Jacobs (S. Doc. 569, 20 pages; price, 5 cents):	
Author	225.00
Statistics for the United States, 1867-1909, compiled by A. Platt Andrew (S. Doc. 570, 280 pages; price, 55 cents):	
Clerical assistance	4,040.29
Special Report from the Banks of the United States, 1909, compiled by Charles A. Stewart (S. Doc. 225, 90 pages; price, 30 cents):	
Clerical assistance	7,254.96
Travel	95.18
Miscellaneous	132.49
	7,482.63
Laws of the United States Concerning Money, Banking, and Loans, 1778-1909, compiled by A. T. Huntington, Chief of Division of Loans and Currency, United States Treasury, and Robert J. Mawhinney, law clerk, office of the Solicitor of the Treasury (S. Doc. 580, 812 pages; price, 70 cents):	
Authors	1,410.50
Clerical assistance	258.00
	1,668.50
Digest of State Banking Laws, by Samuel A. Welldon (S. Doc. 353, 746 pages; price, 70 cents):	
Author	1,205.00
Clerical assistance	434.74
Travel	12.50
Miscellaneous	30.00
	1,682.24
The First and Second Banks of the United States, by Dr. T. J. Holdsworth, of the University of Pittsburgh, and Dr. Davis R. Dewey, of the Massachusetts Institute of Technology (S. Doc. 571, 311 pages; price, 30 cents):	
Authors	883.00
Clerical assistance	257.90
Travel	28.52
Miscellaneous	19.43
	1,188.85
State Banking Before the Civil War, by Prof. Davis R. Dewey, of the Massachusetts Institute of Technology, and Dr. Robert E. Chaddock, of the University of Pennsylvania (S. Doc. 581, 338 pages; price, 50 cents):	
Authors	1,517.50
Clerical assistance	486.47
Miscellaneous	87.34
	2,091.31

State Banks and Trust Companies Since the Passage of the National-Bank Act, by Dr. George E. Barnett, of Johns Hopkins University (S. Doc. 659, 260 pages; price, 30 cents):

Author	\$1,250.00
Clerical assistance	66.80
Travel	91.25
	\$1,408.05

The Origin of the National Banking System, by Andrew MacFarland Davis (S. Doc. 582, 213 pages; price, 25 cents):

Author	200.00
Clerical assistance	846.00
Travel	242.65
Miscellaneous	5.25
	1,293.90

History of Crises under the National Banking System, by Dr. O. M. W. Sprague, of Harvard University (S. Doc. 538, 484 pages; price, 50 cents):

Author	1,865.05
Clerical assistance	220.80
Travel	55.00
	2,140.85

The Use of Credit Instruments in Payments in the United States, by Dr. David Kinley, of the University of Illinois (S. Doc. 399, 229 pages; price, 25 cents):

Author	697.50
Clerical assistance	535.93
	1,233.43

The Independent Treasury System of the United States and Its Relations to the Banks of the Country, by Dr. David Kinley, of the University of Illinois (S. Doc. 587, 399 pages; price, 45 cents):

Author	619.50
Miscellaneous	90.61
	710.11

Seasonal Variations in the Demands for Currency and Capital, by Dr. Edwin W. Kemmerer, of Cornell University (S. Doc. 588, 600 pages; price, 60 cents):

Author	2,129.50
Clerical assistance	1,960.11
Travel	30.92
Miscellaneous	182.82
	4,303.35

Suggested Changes in Administrative Features of the National Banking Laws (S. Doc. 404, 374 pages; price, 40 cents):

Clerical assistance	297.85
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History of the National Bank Currency, by A. D. Noyes, financial editor of the New York Evening Post (S. Doc. 572, 20 pages; price, 5 cents):

Author	100.00
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The History of Banking in Canada, by R. M. Breckenridge (S. Doc. 332, 310 pages; price, 30 cents):

Author	919.07
Clerical assistance	239.00
Travel	73.61
	1,231.68

The Canadian Banking System, by Dr. Joseph French Johnson, of New York University (S. Doc. 583, 191 pages; price, 30 cents):

Author	500.00
Clerical assistance	75.00
Travel	403.40
	978.40

Interviews on the Banking and Currency Systems of Canada (S. Doc. 584, 209 pages; price, 25 cents):

Clerical assistance	15.00
Travel	706.40
	721.40

The English Banking System, by Hartley Withers, Sir R. H. Inglis Palgrave, and others (S. Doc. 492, 294 pages; price, 35 cents):

Authors	3,376.50
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Evolution of Credit and Banks in France, by Andre Liesse, professor in the Conservatoire National des Arts et Metiers (S. Doc. 522, 267 pages; price, 25 cents):

Author	1,456.31
Clerical assistance	17.00
Translation	538.80
	2,012.11

The Bank of France in Its Relation to National and International Credit, by Maurice Patron; and an article on French Savings, by Alfred Neymarck, editor of Le Rentier (S. Doc. 494, 181 pages; price, 20 cents):

Translation	704.60
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The History and Methods of the Paris Bourse, by E. Vidal, editor of La Cote de la Banque et de la Bourse (S. Doc. 573, 275 pages; price, 30 cents):

Author	200.00
Clerical assistance	17.00
Translation	1,666.45
	1,883.45

The Reichsbank, 1887-1900 (S. Doc. 408, 362 pages; price, 35 cents):

Translation	1,048.80
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German Imperial Banking Laws, edited by Dr. R. Koch, former president of the Reichsbank (S. Doc. 574, 330 pages; price, 35 cents):

Clerical assistance	17.00
Translation	618.40
	635.40

The Great German Banks and Their Concentration in Connection with the Economic Development of Germany, by Dr. J. Riesser (S. Doc. 593, 1,000 pages):

Translation	\$1,927.83
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Miscellaneous articles on German banking (S. Doc. 508, 478 pages; price, 50 cents):

Authors	\$2,088.65
Translation	1,902.98
	3,991.63

The German Bank Inquiry of 1908; Stenographic reports (S. Doc. 407, vol. 1, 1,162 pages; price, 90 cents):

Clerical assistance	64.98
Translation	1,600.00
	1,664.98

Renewal of Reichsbank Charter (S. Doc. 507, 268 pages; price, 30 cents):

Translation	431.70
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The Swiss Banking Law, by Dr. Julius Landmann, of the Swiss National Bank (S. Doc. 401, 269 pages; price, 30 cents):

Translation	488.37
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Italian Banks of Issue, by Comm. Tito Canova, general secretary of the Bank of Italy, and Carlo F. Ferraris, of the University of Padua together with the text of the Italian banking laws (S. Doc. 575, 350 pages; price, 35 cents):

Clerical assistance	45.00
Translation	641.80
	686.80

The Swedish Banking System, by A. W. Flux (S. Doc. 576, 248 pages; price, 25 cents):

Author	1,200.00
Travel	138.25
	1,338.25

The National Bank of Belgium (S. Doc. 400, 238 pages; price, 25 cents) and The Banking System of Mexico (S. Doc. 493, 284 pages; price, 35 cents), by Charles A. Conant:

Author	2,400.00
Clerical assistance	423.37
Translation	130.95
	2,954.32

Banking in Russia, Austro-Hungary, Holland, and Japan (S. Doc. 586, 200 pages):

Authors	433.35
Clerical assistance	828.00
Translation	200.00
	1,461.35

Financial Diagrams, prepared by A. Piatt Andrew (S. Doc. 509, 24 diagrams in color, bound in cloth; price, \$1.75):

Clerical assistance	339.00
Materials	33.59
	372.59

Summaries and digests: Authors (Charles A. Conant, Charles P. Huse, of Harvard University, and Warren M. Persons, of Dartmouth College):

Clerical assistance	2,480.00
Travel	250.00
	2,730.00

Unpublished monographs:

Translation	86.40
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Total	78,495.26
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To A. Piatt Andrew, special assistant and editor of publications:

Total	8,366.66
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	86,861.92
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LIBRARY.

Purchase of books	\$4,545.86
Salary of librarian, W. A. Slade	4,249.84
	8,795.70

SALARIES, CLERICAL FORCE.

Alden, C. E.	\$546.00
Barthelemy, L. C. J.	660.00
Buckmaster, C. F.	2,175.00
Budlong, P. E.	401.15
Burlew, J. M.	315.00
Cook, J. P.	1,533.33
Dooley, J. E.	500.00
Eldredge, E. O.	1,200.00
Gardner, J. W.	350.00
Gilman, H. M.	100.00
Goodier, Mrs. J. A.	400.00
Lundy, W. D.	370.00
Nixon, R. B.	4,310.00
Northup, C. B.	3,856.58
Parker, H. P.	2,660.00
Rose, T. J.	1,800.00
Sheetz, J. W.	1,066.20
Stanton, A. B.	5,100.00
Straight, C. D.	1,312.50
Warner, L. H.	223.00
Miscellaneous stenographic services	319.06
	\$29,197.82

Messengers:

Elsie, A.	100.00
Underwood, W. H.	400.00
Williams, A. O.	94.00
	594.00

	29,791.82
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TRAVELING EXPENSES.

Members of commission:	
Aldrich, N. W.	\$17.00
Burton, T. E.	57.65
Bonynge, R. W.	368.75
Burgess, G. F.	530.35
Burrows, J. C.	126.89
Daniel, J. W.	190.54
Hale, E.	150.00
Money, H. D.	535.65
Overstreet, J.	261.05
Padgett, L. P.	621.89
Pujo, A. P.	281.90
Teller, H. M.	649.15
Vreeland, E. B.	555.79
Weeks, J. W.	17.00
	\$4,363.61

Clerical force and persons in attendance upon commission:

Andrew, A. P.	1,759.38
Alden, C. E.	229.60
Buckmaster, C. F.	40.00
Budlong, P. E.	100.35
Coolidge, L. A.	43.75
Cortelyou, G. B.	22.53
Clarke, G. R.	15.00
Eldredge, E. O.	1,515.15
Hale, C.	19.00
Halsey, J. W. D.	109.26
Jay, P.	31.80
Lundy, W. D.	390.50
Money, H. D., jr.	192.20
Nixon, R. B.	166.10
Northup, C. G.	470.40
Pettis, J. B.	20.00
Parker, H. P.	21.35
Shelton, A. B.	1,164.35
Smith, S. C.	302.60
Sheetz, J. W.	18.65
Slade, W. A.	58.00
Williams, O. A.	48.90
	6,678.87

Meetings of commission at New York:

June 10-12, 1908	217.60
August 2-4, 1908	233.25
October-November, 1908	179.60
December, 1908; February, 1909	174.15
August 15-18, 1909	272.85
October-November, 1909	548.50
	1,625.95

Meeting of commission at Narragansett Pier, July, 1909

Travel of commission in Europe	3,493.73
	19,250.18

MISCELLANEOUS EXPENSES.

Freight and expressage	\$176.13
Sundries	69.20
Premium of disbursing officer's bond	120.00
Printing	21.53
Rental office room	1,249.19
Stationery and supplies	429.60
Telephone	107.20
Telegraph	345.85
	2,518.70

SALARIES, MEMBERS OF COMMISSION.

Bonynge, R. W.	\$15,562.50
Burrows, J. C.	562.50
Flint, F. P.	562.50
Hale, E.	562.50
McLachlan, J.	562.50
Money, H. D.	562.50
Overstreet, J.	9,250.00
Tallaferro, J. P.	562.50
Teller, H. M.	15,562.50
	43,750.50

SUMMARY.

Monographs	\$86,861.92
Library	8,795.70
Salaries, clerical	29,791.82
Traveling expenses	35,412.34
Miscellaneous	2,518.70
Salaries, commissioners	43,750.00
	207,130.48

Mr. CUMMINS. I commend Senators who are well acquainted in Washington to the list of employees and their salaries only because it will be found that many—I will withdraw that word and say some of these employees, and the principal ones of them—are also, or were also, holding other positions in the Government and drawing other compensation than the compensation given to them by the commission. The salaries of employees aggregate \$29,791.82.

I beg that the Senate will also note the traveling expenses which have been paid out for members of the commission and employees of the commission. It is an uncomfortable thing to analyze this statement, and I do not intend to do so unless it shall become necessary by suggestions which are made hereafter; but it is sufficient to say that the entire traveling expenses of the commission, with its employees, to March 31, 1911, were \$35,412.34. A little computation will show you that at \$6 per day allowance for traveling expenses these expenses would have maintained one man in constant travel—on such

travel as is customary in making such investigations—for a little more than 16 years; and a little further computation will show that it would have maintained 10 men a year and three-fifths of a year. I do not assert that a single penny has been paid out for expenses that were not incurred. I only say that the commission, having had three years and a half in which to do its work, in which to meet an emergency, in which to prepare or suggest legislation intended to prevent panics, ought now to make its report and ought to relieve the Treasury of the United States from these enormous burdens.

Mr. CHAMBERLAIN. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Oregon?

Mr. CUMMINS. I do.

Mr. CHAMBERLAIN. I should like to ask the Senator if the statement from which he appears to be reading shows where the commission went from time to time and what, if any, information they got at the several places that cost the Government something over \$30,000?

Mr. CUMMINS. I do not know. The commission, or a part of the commission, visited Europe in these three years, and for aught I know it may be intending to visit Europe again. It visited New York upon several occasions, and it held a protracted meeting during one hot period at Narragansett Pier, a very delightful place in which to compose one's thoughts upon the subject of finance. But it has a perfect right to do it, and I have no doubt it held a meeting at a convenient place.

But we have fallen into habits of extravagance. We can not overcome them here. It seems that no part of the Government can overcome the tendency to extravagant payment for what we accomplish, and even if these payments are all justifiable, there is no defense for allowing the system to proceed further.

At the present time all of the Members of the Senate know how this commission is composed. There are some very excellent men upon it who are doing very good work, and who have done very good work, but it is perfectly well known that the majority of the commission at this time is not devoting its labor or its energies to the work of the commission. It is perfectly well known that it is not expected in the future that they will do so. It is perfectly well known that it is now simply a convenient place for those who have lost the favor of their constituents in political affairs, and I do not think that we ought to continue it any longer.

As originally organized it had a high object in view. I believe it has accomplished that object. I expect the report of the commission will be a notable contribution to the literature upon this great and important subject. But do not let us open ourselves to the reproach of continuing this commission indefinitely.

Mr. DIXON. Mr. President—

Mr. CUMMINS. I yield to the Senator from Montana.

Mr. DIXON. In discussing the traveling expenses, I merely wish to inquire of the Senator from Iowa whether the expenses of the colored barber, who was taken on the European trip, are included in the \$36,000?

Mr. CUMMINS. Unfortunately, I am not able to answer that question, although I have no doubt they are. The expenses of the European trip are not itemized. The law does not require the commission to itemize the expenses. There is a most extraordinary provision in the act of 1908 for the payment of money out of the Treasury that can be found, I fancy, within the annals of Congress. There is no itemization required. They are paid solely upon the certificate of the chairman of the commission. But it is stated here merely in the words: "Travel of commission in Europe, \$19,250.18."

We do not know, as far as the report is concerned, who of the commission visited Europe or how many of the employees that crowd the rooms of the commission and also almost crowd the corridors of the Senate Office Building accompanied the commission abroad.

The salaries are not so high up to this time, because until recently most of the members of the commission were also Members of Congress, and so long as they were Members of Congress they were not entitled to additional salary. But there are two former Members of Congress, each of whom has drawn \$15,562.50, and the total drawn by the members of the commission, which I regard as very moderate and temperate in view of some of the other expenses, is \$43,750.50.

Senators, I brought this bill forward because I believe we ought to put an end to the commission and require the result of its deliberations. If we intend to pass any law that shall guard the people of this country from the disasters of panic, we ought to begin to consider that law. We ought not to wait indefinitely in order to shield our financial system from dangers which are said to confront it every moment.

I feel that this commission can report at the time indicated in my bill, which is on the first day of the next regular session of Congress, and I feel that after it has made its report, and after its monographs and libraries are put into the possession of Congress, where both ought to be, Congress will have all the information it can secure from this source to enable it to legislate intelligently and patriotically with respect to a revision of our banking system.

Mr. NEWLANDS. Mr. President, I am quite in sympathy with the expression of the Senator from Iowa [Mr. CUMMINS]. I think it is time that we should have an early report from the National Monetary Commission. Our whole banking system is confessedly weak, probably the weakest that is possessed by any country which boasts a high civilization. Those who have been urging banking reform have impressed upon us this consideration. The honorable chairman of the Monetary Commission declared in the Senate some years ago that the United States had the worst banking system in the civilized world.

Already we have some indication of what the report of the Monetary Commission will be, in the shape of a feeler intended to take the sense of public opinion upon the matters under consideration by this commission. In view of the pronouncement which has gone out to the business world and which has formed the basis of a propaganda that is being urged in every banking center in the country, it strikes me that it might be well to amend the bill offered by the Senator from Iowa by providing that, in addition to the report which this commission is doubtless now prepared to make, the commission should report upon an alternative proposal, involving the security of bank depositors and protection against bank panics, not by organizing a great central institution for that purpose, but by strengthening the individual banks themselves in regard to their capital and reserves, associating them into associations bounded by State lines in which State banks can participate, and then federalizing these various State associations by organizing a national banking board, composed partly of bankers from different sections of the country, selected by these associations, and in part appointed by the President of the United States, with a view to giving such a board powers of examination, powers of publicity, powers of recommendation to the President and the Congress, under which Congress, with this board of able advisers, may be able from time to time so to amend the laws as by a gradual process of evolution to perfect our entire banking system.

With the permission of the Senator from Iowa [Mr. CUMMINS] I will draw an amendment calling upon the commission specifically for its views as to the advisability, first, of establishing some proportion between the capital of the bank and the obligations to its depositors which it assumes, a proportion not now established by law, for a bank of trifling capital can assume obligations of enormous proportions; also, as to the advisability of strengthening the reserves of the individual banks, the country banks, nominally required by law to maintain a reserve of 15 per cent, but actually permitted by the law to deposit 9 of the 15 per cent in the banks of the reserve cities and the central reserve cities, there to be used not for the legitimate purposes of banking, which is the exchange of commodities and property, but for promotion and speculation.

Reserves are also required of the reserve city banks to the extent of 25 per cent, but they are permitted to transfer one-half of that—12½ per cent—to the banks of three or four great central reserve cities, New York taking almost all of it, thus depriving the depositors of the funds absolutely necessary to meet the current demands of their checks, and transferring these large funds to New York to be used for promotion and speculation.

I should like the views of the Monetary Commission upon those two specific questions—the strengthening of bank capital and the strengthening of the reserves of the individual banks. Then, as opposed to this system of centralization—the absolute ignoring of the States, the creation of a central organization, with 16 branches in 16 so-called zones, regardless of State lines—I would substitute, and I should like the views of the commission upon the suggestion, local associations in the various States, composed not only of the national banks in those States, but composed of the State banks engaged in interstate commerce as well, requiring of the State banks the observance of the same rules regarding investigation, publicity, and protection in the shape of capital and reserves to their depositors as is required of national banks, requiring that as a condition of membership in the association, which will be of vast benefit to them, and imposing other conditions also, under the great interstate-commerce power of the Constitution, which, recognizing interstate exchange as a part of interstate commerce, can be exercised in the regulation of State banks engaged in inter-

state exchange just as extensively as it can be in the regulation of State railway companies engaged in interstate transportation.

I should like their views as to the terms of such an association, what it should cover. Could it not safely cover an insurance or a guaranty of bank deposits? Such an association having control over, and powers of examination and investigation of, the constituent members, could easily exercise such vigilance as to prevent any individual bank from imperiling itself by injudicious loans, and therefore having the power to prevent injudicious loans, injudicious investments of the depositors' funds; it would certainly be a reasonable requirement that it should insure those depositors against loss, for it means simply the insurance of the associated banks as to the depositors of each individual bank, each one of which is a constituent member of the association.

The financial history of the country shows that notwithstanding the numerous panics destructive of credit, destructive of exchange, paralyzing State and interstate commerce, the loss to depositors upon the wind up of these institutions is infinitesimally small. If so, under a perfected system of banking, where an association is organized under national law, bringing together the State and the national banks of that State into association for mutual protection and for the protection of their depositors, is it not fair to suppose that the actual loss in every wind up will be infinitesimally smaller than it has been in the past?

The risk, then, being little and the opportunity to the association itself of preventing loss being large, there is no reason why the insurance of bank depositors should not go into practical operation and effect. The result would be that we would have no panics. Just as soon as an individual bank is in peril, just as soon as the run of depositors is precipitated, just that moment the allied forces of all the banks of the State, bound together in this protective association, can summon their reserves and apply them at the point of danger, just as a government can summon its military reserves to the point of danger and of attack.

Mr. President, it may be inquired how shall we bring these associations together so that they will act in a national way and not purely within State lines? It seems to me easy in economics to follow the Federal system of government as an example. That system is followed in all kinds of organizations in this country. We find all the beneficial organizations of the country organizing local leagues and then State leagues and then national leagues. We find this true of the architects' associations, of the art societies, of the musical societies, of the charitable organizations, of city planning organizations, and all the various humanitarian movements which characterize the day. Why should we not follow the example of our Federal Government in the organization of our banking system, maintaining the State as the economic zone or unit, as it is the basic unit of our Government, and after organizing under national law, associations in each State of all commercial banks, both national and State, within its boundaries, federalizing the banking associations of all the States for national purposes? That organization could be effected, as I have stated, by the selection of a national banking board, composed partly of representatives selected by the various State associations and partly of representatives selected by the President. Whilst I would have at the start that board commence with small powers, we know that by the process of evolution and as experience guided our action its powers would be gradually enlarged and its usefulness extended.

I will not go, Mr. President, into minute details regarding this matter. Regarding the issue of bank notes, regarding the issue of emergency currency, the system proposed by Mr. Aldrich declares for the merger of all the powers of issue of all the banks of the country in this great central institution. I would have the powers of issue of the banks of each individual State merged in the banking association made up of the banks of that State. I would not centralize the power at Washington, however correct theoretically the system might be, for the reason that in these days of combination and monopoly there is great danger that such powers will fall into the hands of the great banking interests, whose increasing power is viewed with apprehension, which, combining at one great center the control of the wealth of the country in banks, in the great industrial trusts, and in the railroads, is running almost the entire economic system of the country, and that, too, not in the interest of the honest maintenance of exchange between States, between communities and individuals, not for the great public function for which these corporations were organized, however private they may be, but with a view to swelling the fortunes of individuals and increasing their powers over their fellow men and over the Government under which they were created.

However strong the system advanced by Mr. Aldrich may be in theory, I would not accept it to-day because of these conditions. If later on by a process of evolution, commencing at the bottom with the States and not at the top with the National Government, we crown the entire edifice to which I have referred by a central bank acting in cooperation with these associations in the various States, that is a thing for the future—to be worked out slowly and gradually.

The system to which I refer and which I urge does not necessarily lead to the ultimate organization of a central bank nationally, and yet it is not inconsistent with it in the end. When the economic system of this country is adjusted to freedom of opportunity to all we may, by the process of evolution—a slow and gradual process—conclude that the wise thing is to crown this great edifice that performs so important a function in interstate and national exchange by the creation of a central bank.

Mr. President, the plan that is urged by the former Senator from Rhode Island will not, in my judgment, receive the approval of the American people; and yet it would be a great mistake if all legislation should fail. The President was right, in a recent speech in New York, in saying that the banking question is the most important question before the people of the United States to-day, far surpassing in importance the tariff question. We are now addressing ourselves to great economic questions, through the adjustment of which the entire country may be put into industrial and commercial disturbance; and it is of the highest importance, whilst we are passing through these economic changes, that our banking system at least should be perfect, for the test of the stability of our commercial condition will be found at the doors of a bank when the depositors of that bank, panic stricken, demand their money, and when failure to respond may involve the banks of an entire community and ultimately the banks of the entire country, thus locking up both State and interstate exchange at a time when other economic disturbances are existing. It is therefore incumbent upon those who oppose the Aldrich plan to present an alternative.

I have in my feeble way presented this matter, but I trust that the minds of those who are opposed to that plan will be fertile with suggestions, and I trust that these various suggestions will be presented to the Monetary Commission and that they will fairly consider them with the experts at their command, and will point out their advantages and their weaknesses. In this way, and in this way only, can we get fair consideration of the entire question, for if the people become fairly impressed with the necessity for a change in the banking system, unless the whole matter is thoroughly thought out and exploited beforehand, they may go from worse to worse instead of from worse to better.

Mr. President, we want this thing thought out, not by those who have been the friends of privilege, of combination, and of monopoly, but by that great body of progressive thought in the country which has been engaged in considering the abuses that afflict us and the remedies for those abuses. Thus far the progressive thought of the country has not been fastened upon an alternative plan unless it be the mind of Mr. Bryan, who for years has given more attention to such subjects than any other public man on the progressive side. I do not say that all his views are correct, but one thing is sure, and that is, that he has given serious thought to these questions, and that his suggestions are worthy of consideration. His suggestion regarding a bank guaranty, hooted at throughout the country, has been accepted by several States and is perfectly capable of safe solution, if we can only bring the banks of the various States together by some form of national association for the protection of themselves and the protection of their depositors.

I will ask, therefore, the Senator from Iowa to indulge me whilst I draw an amendment calling upon the commission for its views as to the suggestions which I have made. I have no doubt that their consideration of them will be fair and that their report upon them will be of value. I will append to my remarks certain views prepared by me for the press in response to many inquiries. The matter referred to is as follows:

BANKING REFORM.

VIEWS OF MR. NEWLANDS.

"Logical national legislation on the banking question involves, in my mind, the recognition of interstate exchange as a branch of interstate commerce by taking hold of and regulating the State banks engaged in interstate exchange, just as we take hold of purely State railroads that are engaged in interstate transportation. The purpose of the legislation being to prevent paralysis of interstate exchange through constantly recurring bank panics, any legislation which leaves the State banks out

of consideration as factors in the maintenance of an unimpaired interstate exchange is sadly lacking, for the State banks to-day equal the national banks in the extent of their capital, deposits, and credits. They are all engaged in interstate exchange, and constitute links in the general banking system of the country; and just as the strength of a chain is that of its weakest link, so it may be claimed that the strength of our banking system is affected by the condition of its weakest bank, and that all banks, both national and State, must be regulated by the National Government in the interest of interstate commerce.

"STRENGTHENING THE INDIVIDUAL BANKS.

"I would first strengthen the individual banks by requiring of them a certain relation of capital and reserves to their obligations. As it is the national banking act prescribes no proportion between the capital of a bank and the amount of deposits it can receive. The capital of a bank constitutes the margin of security upon which depositors rely. Sound banking requires that it should equal 20 per cent of the bank's obligations. I would not at first, however, attempt to reach this limit, but would simply provide that every bank should maintain a capital and surplus equal to 20 per cent of its deposit obligations.

"As to reserves, sound banking requires that a bank should keep on hand at least 20 per cent of its deposit obligations in order to meet the current checks of its depositors.

"The national banking act requires 25 per cent reserve in central reserve cities, of which all must be kept in cash; a reserve of 25 per cent in reserve cities, of which one-half can be deposited in central reserve city banks; and 15 per cent in the country banks, of which nine-fifteenths, or three-fifths, can be deposited in reserve city and central reserve city banks.

"I would not, at present, increase these reserves, but I would diminish the proportion of the reserves which the country banks can deposit in other banks at the rate of one-fifteenth annually until such permitted deposits in other banks reach five-fifteenths, or one-third, of the total reserve; and there I would stop for the present.

"I would also diminish the proportion which the reserve city banks can deposit in the central reserve city banks at the rate of one twenty-fifth annually until such permitted deposits in central reserve city banks reach five twenty-fifths, or one-fifth, of the total reserves instead of one-half, as at present.

"THE STATE BANKS.

"I would require the same capital and reserves of State banks engaged in interstate exchange as are required of national banks; but the question is whether this shall be made coercive or persuasive. I have no doubt of the power of the National Government to compel State banks, as instrumentalities of interstate commerce, to comply with its regulations as to capital and reserves; but as this is a comparatively new contention and may arouse opposition to any general measure which contains it, it might be well to make it merely persuasive by providing that State banks may become members of the national reserve association, hereafter referred to, upon complying with the requirements of the national banking act as to capital and reserves and as to examination and inspection by the National Government.

"UNIONIZING BANKS FOR PROTECTION OF DEPOSITORS AND FOR PREVENTION OF BANK PANICS.

"The next step would be to unionize the banks for preventing bank panics and the interruption of interstate exchange by enabling them to summon their reserves to any point of danger, just as the Government concentrates its troops at the point of attack.

"The Aldrich plan centralizes these at Washington by the creation of a reserve association of America, embracing in its membership as stockholders all the national banks and dividing the country, regardless of State lines, into 16 subdivisions or zones, in the most prominent commercial city of which is located a branch of the reserve association.

"There are two objections to this—one, that it practically creates a central bank, concerning which there will be a great difference of opinion between the two political parties, and the other that with the concentration of the money power of the country now existing such central bank would fall under the control of such power, and that the perversion of the proper function of banking from that of advancing exchange to that of promotion and speculation would continue. Even if the Aldrich plan be theoretically and economically sound, I regard it as utterly impracticable at present, because of the balance of the political parties, each controlling a part of the Government, and because of the universal distrust of certain powerful banking groups, to give it the sanction of law. Nor do I think that the reasoning regarding a central bank which would apply to similar institutions in England, France, and Germany

can be applied to America, a union of 46 States, most of which in area and population will sometime rival those great countries.

"It must be recollected also that in those countries the national power is absolute over commerce in its entirety, whilst in our country the National Government is absolute only in interstate and foreign commerce, the State commerce being under the jurisdiction of the respective States. As, therefore, commerce itself under our system of government is divided into two parts—one part under the control of the States and the other part under the control of the union of States, or the Nation—it is desirable that in the exercise of the regulating power we should have regard to the States as the units or subdivisions with reference to which the national power is to be exercised; and we should endeavor to bring about cooperation and harmony between the individual States on the one hand and the union of States on the other in the regulation of our commerce.

"I would therefore organize under national law a reserve association in each State, to be formed by the national banks of each State; membership in which I would grant also to State banks engaged in interstate commerce, as all except the savings banks are, upon compliance with such requirements as to capital, reserve, investigation, and correction as exist with reference to national banks.

"I would provide that such reserve association should have the power to examine the individual banks composing its membership and to exercise a certain degree of corrective power over them, and that it should have the power to insure the depositors of each individual bank composing its membership. Some speedy method should be provided for immediately taking over the assets and paying the depositors of any failing bank. I would give to such State reserve associations such of the powers, rights, and privileges given by the Aldrich plan to the proposed central reserve association as may be deemed desirable. In other words, I would endeavor to create in each sovereign State a financial center for that State, holding a position with reference to the State similar to that which New York holds to the United States.

"As the banks of some of the smaller or weaker States might not be strong enough to form reserve associations under this plan, I would grant them the privilege, if they so desired, of joining a reserve association organized in an adjoining State.

"I would turn over to such reserve associations all the note-issuing functions of the individual banks constituting its membership, including the issuing of emergency currency.

"FEDERALIZING THE ASSOCIATION.

"I would then federalize these State reserve associations through the organization of a national banking board, of which a certain proportion of the members should be selected by the national reserve associations under some plan that would promote proper geographical distribution, the National Government, through the President, with the aid and confirmation of the Senate, to name the other members. I would make the Secretary of the Treasury the chairman of such commission and the Comptroller of the Currency its secretary.

"I would not, in the first instance, give such commission large powers, but would invest it with powers of examination, correction of evil practices, and recommendation to the President and to Congress. I would expect the national banking commission, by a process of evolution, to gradually increase in its powers as the result of experience in administration and legislation, and I would expect it to perfect a system of cooperation with the banking commissions of the respective States.

"NOTE-ISSUING FUNCTIONS.

"I do not understand that Mr. Aldrich's plan provides for any additional currency, unless it be emergency currency. It simply provides that all the existing note-issuing functions of the national banks shall be turned over to the reserve association of America, of which the national banks are constituent members. The national bank notes during the past 10 years have increased from about \$300,000,000 to over \$600,000,000 as the result of the increase of the percentage of the bond security available for note issue and also as the result of the increased amount of United States bonds. The national banks also have the power to issue emergency currency to the extent of \$500,000,000, the retirement of which is forced by a gradually increasing interest rate or tax.

"None of the latter is now extant. Under the Aldrich plan, therefore, the National Reserve Association would have the power to keep outstanding the present issue of national bank notes of over \$600,000,000, and I think a similar provision should be made that the National Reserve Association of each State should take over the note-issuing functions of its constituent members. I would see no present necessity for changing the

character of this issue. I would allow it to be gradually retired by the payment of the bonds themselves or by refunding such bonds into national bonds similar to the Panama Canal issue, bearing a rate of interest of about 3 per cent and without the note-issuing privilege.

"I do not think we need seriously concern ourselves in the near future regarding either an asset-secured currency or a bond-secured currency, or a national currency. The country is now firmly established on the deposit and check system, under which banks are permitted to give credit to their customers on their books aggregating, on the average, more than five times the amount of cash which the banks have on hand. The borrower turns his loan into a deposit and checks against his deposit, and his checks constitute a currency admirably adapted to the requirements of the country, the checks remaining out long enough to close the particular exchange or sale or transaction and then being retired. Under this method \$1,000,000,000 of cash in the banks as reserves is given an efficiency of \$5,000,000,000 through the loan and deposit system in the national banks, and a similar amount in the State banks, so that during the past 10 years, as the result of a constantly increasing volume of gold which has been drawn into the banks as their cash reserves, we have had an increase of bank loans and corresponding bank deposits from about five billion to ten billion dollars, or in other words and increase of 100 per cent in the credit facilities of the banks, whilst the population has increased only about 20 per cent. This accounts in great part for the extraordinary rise in prices which has taken place, and which has seriously disarranged the relations of debtor to creditor, of employee to employer, and of consumer to producer. An era of constantly increasing prices is almost as bad as an era of constantly falling prices, and both are caused by variation in the value of the medium of exchange as the result of the quantitative theory.

"If stability in the value of the medium of exchange is desirable, it is clear, all other things being equal, that as the number of basic dollars increase the number of paper representatives should diminish, and paper representatives should only be availed of in order to tide over the time when there is a diminution in the production of basic dollars and a danger of a fall of values through contraction. It is clear, therefore, that at no period in the history of the world has there been so little need of the issue of paper money as at present, for the number of our basic gold dollars has vastly increased in quantity, in much greater proportion than the population, and the loan and deposit system has opened up such a vast area of credits as to do away with the need of so-called credit money. Indeed, the only occasions upon which credit money is needed at all under existing conditions is when a bank panic comes and depositors withdraw from the banks the actual dollars which stand at the base of the loan and deposit system. Then an emergency arises which necessitates some substitute in the shape of paper money which can be used as legal tender, and can be paid out as a substitute for the basic money."

Mr. CULLOM. I move that the Senate proceed to the consideration of executive business.

Mr. REED. Mr. President—

Mr. CULLOM. It will require only a few minutes, I think, and then we will come back into legislative session.

Mr. REED. Very well.

Mr. NEWLANDS. If the Senator from Illinois will permit me, I wish to ask the Senator from Iowa whether he intends to push the bill to a vote to-day?

Mr. CUMMINS. I hope to reach a vote upon the bill to-day, but I have said to the Senator from Illinois, who desires that an executive session shall be held, that I have no objection to it, hoping we will again reenter legislative session the moment the work of the executive session has been finished.

Mr. CULLOM. I will move that the Senate go into legislative session again. Several Senators desire to speak on the bill which has been up.

EXECUTIVE SESSION.

The PRESIDING OFFICER (Mr. BORAH in the chair). The Senator from Illinois moves that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 14) to admit the Territories of New Mexico and Arizona into the Union upon an equal footing with the original States.

The message also announced that the House had agreed to the concurrent resolution of the Senate (S. Con. Res. 6) providing for the printing of the hearings before the Employers' Liability and Workmen's Compensation Commission.

ST. FRANCIS RIVER BRIDGE.

Mr. REED. Mr. President, House bill 6098 is a bill to permit the construction of a bridge across the St. Francis River in my State. It has been favorably reported by the Commerce Committee, and I ask unanimous consent that it may be taken up at this time.

The PRESIDING OFFICER. The Senator from Missouri asks unanimous consent—

Mr. CUMMINS. Mr. President, I make a parliamentary inquiry. Is not the bill which was under consideration before the executive session now before the Senate?

The PRESIDING OFFICER. That bill, as the Chair understands, is now before the Senate; but the Senator from Missouri [Mr. REED] asks unanimous consent for the present consideration of the bill named by him.

Mr. REED. It is a formal matter.

The PRESIDING OFFICER. It is a bridge bill.

Mr. CUMMINS. I do not want the bill which the Senate has been considering displaced, that is all. I have no objection to the passage of the bill referred to by the Senator from Missouri.

The PRESIDING OFFICER. The bill which the Senate has been considering will not be displaced.

Mr. REED. I ask unanimous consent to temporarily lay aside the present order of business.

Mr. CUMMINS. In order to arrive at it I ask unanimous consent to temporarily lay aside the bill now under consideration.

The PRESIDING OFFICER. Without objection, that order will be made. The Senator from Missouri asks unanimous consent for the present consideration of a bill, the title of which will be stated.

The SECRETARY. A bill (H. R. 6098) to authorize the Campbell Lumber Co. to construct a bridge across the St. Francis River from a point in Dunklin County, Mo., to a point in Clay County, Ark.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BAYOU BARTHOLOMEW BRIDGE.

Mr. CLARKE of Arkansas. I ask unanimous consent for the present consideration of the bill (H. R. 11021) to authorize the Levitte Land & Lumber Co. to construct a bridge across Bayou Bartholomew, in Drew County, Ark.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

NATIONAL MONETARY COMMISSION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 854) to require the National Monetary Commission to make final report on or before December 4, 1911, and to repeal sections 17, 18, and 19 of the act entitled "An act to amend the national banking laws," approved May 30, 1908, the repeal to take effect December 5, 1911.

Mr. HEYBURN. Mr. President, the echoes of misdeeds and political mistakes sometimes come back to us in a way to challenge our attention. If there ever was a political mistake from both a partisan standpoint and a national standpoint, it was the enactment of the law of which the sections under consideration are a part. Senators who were present when that dramatic scene occurred at midnight on the 30th day of May, 1908, the closing day of the session, will never forget it. In my experience of more than eight years in this body I have not seen its equal, when the parliamentary law that governs this body was disregarded and pushed aside in order that a measure might be pushed through with a parliamentary insolence that I have not seen equaled in my life, when a Member had addressed the Chair and had been recognized, notwithstanding which the roll call proceeded under an arbitrary demand of Senators who had forgotten their reason, who had gone mad with their success of the hour. I hope it will never occur again; as long as I am in the body I hope never to see it. And this is the result of it. We are now called upon to deal with the result of that action. It is difficult to deal with it or to discuss it in conservative terms. The commission that was appointed under such conditions as these—and, mark you—

SEC. 19. That a sum sufficient to carry out the purposes of sections 17 and 18—

Those are two of the sections which by the pending bill are proposed to be repealed—

of this act, and to pay the necessary expenses of the commission and its members, is hereby appropriated out of any money in the Treasury not otherwise appropriated.

"A sum." If you will turn back in the pages of the CONGRESSIONAL RECORD, you will find that sharp criticism was urged against such vicious legislation, and that it was swept aside in that hour of triumph, when a coterie of men had succeeded in laying the foundation for passing that iniquitous piece of legislation. With them in that hour it was not reason; it was boastful impulse. The question with them was not, "Is this conservative legislation?" but it was, "Can we do it?" Yes; ride over the opposition.

We have an example of the same spirit in the report that comes before us in the letter from the Secretary of the Treasury of the United States. Here is the echo of it. This is in response to those words "a sum sufficient"—not in the usual language, "There is hereby appropriated the sum of so many thousand, or hundreds of thousands, or millions of dollars," but there was no limit placed upon it. In the arrogance of that hour they did not dream that there was any power that could ever limit or even criticize them; but the hour has outlived the men who did it, who were responsible for it; and the facts and the conditions stand as a monument of that legislation. I have never yet regained my equanimity because of the outrage of that hour.

I am respectful of all men in public debate or private speech, but men's public acts may be and must be challenged when it is necessary to weigh them. We come now to the day of accounting for this legislation, and I am going to be very brief in my remarks, because a question of this kind does not need extended argument to point out its demerits.

I will not read you these items; I will only refer to them as a justification for every word of opposition that was spoken in debate at the time of the enactment of that law; I will only refer to them as a justification of every vote that was cast against it when this measure was forced through Congress in the midnight hour, after, I think, 62 hours of session, and perhaps more. Men had become almost frenzied because of the conditions that surrounded them. Let me read you just a line or two from the RECORD. After the insertion of a long paper that was read, and when the vote was imminent, this is what occurred—I read from page 7259 of the RECORD of May 30, 1908:

The VICE PRESIDENT. The question is on agreeing to the report of the committee of conference.

Mr. ALDRICH. I ask that the roll be called.

Mr. HEYBURN. Mr. President—

Now, note this—

The Secretary proceeded to call the roll, and Mr. Aldrich responded to his name.

That was after I had addressed the Chair.

Mr. HEYBURN. I addressed the Chair before the commencement of the roll call.

I am reading from the RECORD of the proceedings of this body. That statement is in the RECORD.

Mr. ALDRICH. The roll call can not be suspended.

Mr. HEYBURN. I do not ask that it be suspended. It was started with undue haste. I was addressing the Chair.

Then other Senators said, "Let the roll call go on," and after an appeal and a controversy as to moral rights, which were within the only rule that this Senate knows, they rode over the rights of a Senator, called the roll, and adopted the conference report. On page—and I commend it to the attention of Senators who may be interested to know what did occur afterwards—on page 7261 of the RECORD of May 30, 1908, the Senator from Idaho did express himself upon this question. I will leave that language to stand by reference.

I hope that the Senator in charge of this bill will press it to final passage and terminate this chapter of bad government, this chapter of statutory mistake, which has resulted in the waste of the public money and the accomplishment of no good purpose. I think that Congress is sane enough in the midday hours to correct the mistake that it made in the midnight hours. We have an imaginary library in charge of a real librarian; we have the monographs upon imaginary financial situations by men who were they in any other place for consideration would be termed "grafters," the double salaries of men who were favorites selected to earn the double salaries, and to earn them by signing their vouchers, for that is all they did.

I have gone through more or as much of this literature perhaps as any Member of this body. I have read through their weary, dreary length these articles supposed to be upon the finances of the world, the countries of the earth. They convey

no more information of value in legislating upon this question than do the Arabian Nights. The thing to do is as soon as possible to get rid of this mistake by abolishing the commission, paying the bills we have to pay, and forgetting the incident.

The PRESIDING OFFICER. The bill is still before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment proposed, the bill will be reported to the Senate.

Mr. NEWLANDS and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. NEWLANDS. I wish to offer an amendment. I will have it ready in a moment.

Mr. BURTON. Mr. President, I think this—

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Ohio?

Mr. NEWLANDS. Certainly.

Mr. BURTON. Does the Senator from Nevada desire to speak?

Mr. NEWLANDS. I wish to offer an amendment. I will inquire of the Senator from Ohio whether he wishes to address the Senate?

Mr. BURTON. I shall expect to make some remarks, perhaps at considerable length.

Mr. NEWLANDS. I will take my time, then, in preparing my amendment, and will yield to the Senator.

Mr. NEWLANDS subsequently said: I have prepared the amendment to which I previously alluded, and I ask that it be read and ordered to be printed.

The amendment was read and ordered to be printed, as follows:

It is proposed to add the following section:

"SEC. 3. That the National Monetary Commission is also directed to report for the consideration of Congress its views upon the following questions:

"First. The advisability of preventing national banks from depositing any portion of their reserves required by law in other banks.

"Second. The advisability of requiring national banks to maintain a capital and surplus bearing a fixed proportion to their deposit obligations, and if advisable what such proportion shall be.

"Third. The feasibility and advisability of organizing, under national law, associations of the national banks in each of the respective States for mutual protection and the protection of depositors against bank panics, and including State banks engaged in interstate exchange in the membership of such associations upon complying with the requirements of the national banking act as to capital, reserves, investigation, reports, and publicity, such associations to have the power to insure the depositors of their constituent banks and in connection therewith the power to examine such banks.

"Fourth. The advisability of bringing into federation such associations through a national banking board fairly representative of the different sections of the United States, part to be selected by such associations and part by the President of the United States, such board to have as its chairman the Secretary of the Treasury and as its secretary the Comptroller of the Currency, such board to have powers of examination and correction over such associations and their constituent banks, and of recommendation to the President and Congress."

"Fifth. Such other suggestions as may be applicable to the federation of national and State banks for mutual protection and protection of depositors against bank panics under the foregoing plan of legislation."

Mr. CUMMINS. I do not clearly understand whether the Senator from Nevada now offers the amendment or whether he merely gives notice of his intention to offer it.

The VICE PRESIDENT. As the Chair understood the Senator from Nevada asked to have the amendment read and printed, to be offered later.

Mr. BURTON. Mr. President, I think this is a fit occasion to review the work of the Monetary Commission and also to present to the Senate some views upon the problems relating to banking and currency, which are now before the country.

I am opposed to the passage of this bill. Its enactment casts a certain degree of discredit upon the commission, but there is a more important objection to its passage, and that rests upon the fact that the commission can not complete its work by the time prescribed, the 5th of next December, nor indeed do I believe its work can be finished during the coming winter.

I have no apology to offer for a certain degree of looseness and extravagance in the expenses of the commission, especially in paying salaries to members after the expiration of their terms in Congress. In the beginning I think there was justification for that. The bill creating the Monetary Commission passed on the 30th of May, 1908. On the 3d of March following an amendment to the bill creating the commission was incorporated in the general deficiency bill. That amendment provided that those who had been appointed upon the commission should continue to receive salaries whether Members of Congress or not. It was passed to provide salaries for three persons, one Member of the Senate and two Members of the House.

The Member of the Senate whose term had expired had served long in the Senate and in the Cabinet, and though somewhat advanced in years, was an expert on monetary questions. Two Members of the House were also provided for, one of them Mr. Overstreet, who was the author of the financial act of 1900,

one of the most valuable contributions to our monetary legislation. Another Member who was retained on the salary list had no special experience in problems of banking or currency, but gave his time almost constantly for two years after March 3, 1909, to the consideration of the difficult questions before the commission.

The services in the House and Senate of a somewhat larger number of members of the commission were terminated in 1911, but these were retained, and in addition three men, not previously members of the commission, were appointed, and salaries were provided for them.

In my investigation of this subject I am unable to find who was responsible for those three appointments. It seems to me their selection and the payment of salaries to them was not in accordance with the law, which is as follows:

That the members of the National Monetary Commission, who were appointed on the 30th day of May, 1908, under the provisions of section 17 of the act entitled "An act to amend the national banking laws," approved May 30, 1908, shall continue to constitute the National Monetary Commission until the final report of said commission shall be made to Congress; and said National Monetary Commission are authorized to pay to such of its members as are not at the time in the public service and receiving a salary from the Government, a salary equal to that to which said members would be entitled if they were Members of the Senate or House of Representatives.

It will be noted that this statute explicitly states that the members of the National Monetary Commission who were appointed on the 30th day of May, 1908, shall constitute the National Monetary Commission until the final report of said commission shall be made to Congress.

The object of this statute is clear. It is to retain upon the commission those who had participated in its deliberations from the beginning and who had gained the experience which is to be derived from a year's service. But what justification can be found for the appointment on March 4, 1911, of three new men whose terms in Congress expired on that date I am unable to determine.

I have prepared an amendment to this bill which provides that the salaries of all members of the commission not now Members of the House or Senate shall cease; also that the commission shall file a report on or before the 10th day of January next. But when the question is raised of abolishing the commission entirely, I desire to say that in my judgment such action would be a serious mistake.

First, it is claimed that their work can be finished by the 5th of December. My experience upon that body leads me to the conviction that a report of any permanent value can not be made by that date. Those who have had experience on commissions and committees of Congress will agree with me that it is difficult to assemble members for a sufficient time before the meeting of Congress to enable them to complete a report. It has always been true that a certain number do not return until within a few days before the convening of Congress.

I have in mind the report of the National Waterways Commission. It had been the intention to file our report at the very beginning of the session following our appointment, but in considering all the varied subjects before us it was found necessary to postpone that report until the middle of January. Before that time it would have been impossible to formulate our views and place them in such condition as to justify a report.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Utah?

Mr. BURTON. Certainly.

Mr. SMOOT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bacon	Culberson	Newlands	Smoot
Bourne	Cullom	Nixon	Swanson
Bradley	Cummins	Oliver	Taylor
Brandeggee	Curtis	Page	Thornton
Bryan	Fletcher	Paynter	Townsend
Burnham	Heyburn	Perkins	Warren
Burton	Johnson, Me.	Poindexter	Watson
Chamberlain	Johnston, Ala.	Pomerene	Wetmore
Chilton	Jones	Reed	Williams
Clark, Wyo.	La Follette	Root	Works
Clarke, Ark.	Lodge	Shively	
Crawford	Martin, Va.	Smith, Mich.	
	Martine, N. J.	Smith, S. C.	

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. A quorum of the Senate is present.

Mr. BURTON. Mr. President, the Monetary Commission met in the autumn of 1908, after having conducted investigations both by subcommittees and by the full commission during the

preceding summer. It was hoped that a report might be made then, but no satisfactory conclusion was reached. Again in 1909 and in 1910 the effort to make a report proved unsuccessful.

After the adjournment of this session it is not probable that the members will gather again until November, and the magnitude and the importance of the questions to be decided and reported upon are such that a final report, one satisfactory to the members themselves and one which shall aid in solving these very difficult questions now before the country, I am confident can not be made at the beginning of the next session.

What should be done is this: Abolish the salaries of those who are no longer Members of this body or of the House, thus relieving the commission from the accusation of extravagance, and continue it for the purpose of making such recommendations as may be desirable in solving the problems relating to banking and currency.

I desire to say that I believe in the performance of this class of work by commissions. More and more the Members of the House and the Senate are becoming generalizers. There is such a great mass of public business before us that it is impossible either in Committee of the Whole of the House or Senate, or even in the committee rooms, to reach a satisfactory and judicious solution of certain great problems which are now before the country.

Two forms are suggested for these commissions—one composed of men who are not Members of Congress. This I do not believe in, for a commission consisting of men without legislative experience, though thoroughly posted on the subjects under investigation, often lacks that familiarity with the practical phases of legislation which is essential to accomplishing results in Congress.

Again, especially in the case of questions relating to banking and currency, it has been found that so great a contrariety of opinion exists among the bankers of the country and among students of the subject that it is absolutely impossible for them to reach any conclusion.

The second form of commission is composed of Members of the House and Senate. In that form of organization I am a cordial believer. They are in touch with legislation; they are in touch with the people; they understand the limitations which hinder the enactment of laws; and when they have considered subjects and made recommendations they are here to support these recommendations on the floor of the House and the Senate. Of course, it is desirable that they should bring to their assistance the very best experts in the branches which they are considering and utilize their advice in any recommendations which they may make.

Many of the most salutary laws have been proposed, if not formulated, by commissions of this body or the House, who were chosen with a view to giving more careful attention to the subject under consideration than could be given by the Members of Congress in House or Senate or by the committees thereof.

In the history of legislation in England and in France it appears that great progress has been made in promoting the welfare of the people through the agency of commissions. On this subject I wish to read a few words from a recent work of great value by Prof. Redlich, of the University of Vienna, who has recently written a history of the procedure of the House of Commons. He says:

It will easily be believed that, with such an equipment, special committees have for hundreds of years been able to collect most valuable material for the promotion of legislation, to digest it and place it at the disposal of the House. The importance of parliamentary committees in this particular direction has, however, been materially lessened during the nineteenth century by the growing popularity of royal commissions as means for conducting inquiries. Though Members of both Houses of Parliament take a prominent part in the work of such commissions, they are not appointed by Parliament, but by the Government. Almost all the great reforms of the nineteenth century in internal administration, taxation, education, labor protection, and other social questions, have been based on the full investigations made by royal commissions, often continued over a space of many years, and on their reports, which with the evidence collected are laid before Parliament. A royal commission has many advantages over a parliamentary committee. It can, while a parliamentary committee can not, prolong its work beyond the limits of a session, if necessary, even for years; and it is possible to appoint scientific experts as members, so as to secure a completely impartial treatment of the subject. The consequence is that commissions have largely superseded parliamentary committees when elaborate inquiries have to be made.

I am unwilling to go as far in this connection as has the honorable Senator from Nevada [Mr. NEWLANDS], who, in several speeches here, has advocated that both legislative and executive functions be intrusted to commissions; but I do feel that in gathering information and in investigating and explaining important subjects they perform a most useful function.

Mr. NEWLANDS. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Nevada?

Mr. BURTON. I shall be glad to yield.

Mr. NEWLANDS. Will the Senator refer me to a case where I ever urged the turning over to a commission or board of a legislative function?

Mr. BURTON. The expenditure of a certain amount per year on rivers and harbors and the selection of projects to be improved is certainly the exercise of a legislative function.

Mr. NEWLANDS. Does the Senator contend that the expenditure of a sum is a legislative function when the expenditure of that sum has been authorized by law?

Mr. BURTON. It is most decidedly so, as I look upon it.

Mr. NEWLANDS. I would call that an executive function.

Mr. BURTON. It would be the entire abrogation of the right of the legislative body to make selections to thus place it in the hands of a commission.

Mr. NEWLANDS. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield further to the Senator from Nevada?

Mr. BURTON. Certainly.

Mr. NEWLANDS. If the Senator will permit me—I of course do not wish to divert his discussion to other matters; but I think, if he will examine carefully the bills to which he has referred, he will find that I have never yet sought to turn over to any board or commission the legislative power and that wherever I sought the employment of experts in connection with any great constructive work or the appointment of experts in reference to exercising the power of regulation I have sought to put in the law the rule under which such a board shall act.

Mr. BURTON. Mr. President, it was merely an incidental remark. I think it clear, however, that so radical a change in the manner of designating public works to be undertaken is intrusting legislative powers and duties to a commission. At any rate, the plan contemplates turning over to such a body a lump sum of money and authorizing them to use their discretion in its expenditure here, there, or anywhere, and it bestows upon them, also, an executive function.

The objection is sometimes made that a commission of the nature I have advocated usurps legislative powers. It does nothing of the kind. Its powers are bounded by the rights conferred upon it, namely, to secure information and to make recommendations. The House or the Senate may accept or reject those recommendations in part or in toto. The final responsibility for the adoption of legislation rests exclusively with the Congress whether commissions are appointed or not.

On this monetary problem, Mr. President, I maintain there is an especial reason for the appointment of a commission, because of the complicated nature of the subject and the necessity for accompanying any proposed legislation by a campaign of education. The correct solution of our currency problem requires more than any other question the full benefit of expert opinion and mature consideration.

I recognize that the delay of the commission in making its report has been unfortunate. In explanation of that I will read briefly from some remarks made in another place, where I expressed myself more clearly perhaps than I might be able to do here to-day:

The Monetary Commission was created by the act approved May 30, 1908, under the provisions of what is commonly known as the emergency currency act, or the Aldrich-Vreeland bill. This act was passed when the panic of the autumn of 1907 was still fresh in the minds of the people and the necessity for reform in our currency system and banking laws was very greatly recognized. Hence Congress provided for a commission to be composed of 18 members, 9 to be selected from the Senate and 9 from the House of Representatives. It was thought best to restrict the membership to those who were in touch with legislative procedure, men more readily qualified to formulate practical legislation which would command general approval, and who would be able to explain and advocate any measures recommended before the two branches of Congress to which they belong. It was, however, intended that the very best expert opinion and assistance should be obtained from the banking profession as well as from every other source which might be helpful. Senator Aldrich, of Rhode Island, was chosen chairman and Representative VREELAND, of New York, vice chairman.

The duties of the commission are succinctly stated in the act, namely, "to inquire and report (to Congress) what changes are necessary or desirable in the monetary system of the United States, or in the laws relating to banking and currency."

For the accomplishment of this object ample authority was given. The commission, either in committee of the whole or by subcommittees, has held numerous meetings and conducted many hearings. Some of its members have visited Europe and by personal contact with the leading bankers of England, France, and Germany have obtained information at first hand. Prominent political economists and experts in banking have prepared articles giving the past history of banks and banking operations and setting forth all prevalent theories upon the subject. A representative committee from the American Bankers' Association appeared before the commission in response to a request to state their views. Not only this committee, but other members of the association and bankers of the country, either in response to inquiries or on their own initiative, have given the commission the bene-

fit of their experience and suggestions in relation to banking and currency problems. A working library upon banking has been prepared and printed, for which the claim may confidently be made that in practical value and completeness it surpasses any material heretofore available along these lines.

The criticism may have arisen that the commission has made tardy progress in its work, because it has existed for more than two years and no concrete proposition for legislation has been presented. But when we consider the magnitude of the interests involved and the contrariety of opinions to be harmonized the time is not long. It is better to be assured that projected legislation will be helpful and will command popular approval than to enact ill-digested laws and regulations which would have to be changed within a few years. Thus far the time has been usefully occupied in obtaining a basis upon which to act.

One feature assumes especial importance to anyone who has had experience in Congress—the exceptional difficulty in legislating upon any subject which has to do with finance or banking. Senator Sherman, after a long career in which he had framed many financial measures, once remarked that no one of them met with his entire approval because concession and compromise had been necessary in every case in order to secure their passage.

He said at one time there never was a day after the passage of the silver-purchase act of 1890 when he would not have been willing to vote for its repeal.

The insistent arguments of visionaries in finance, oftentimes supported by selfish interests, as well as the clash of different theories concerning the functions which the State should perform in relation to banking and currency, have alike prevented needed reforms in the past and will render ideal legislation difficult in the future.

In this connection I want to give an illustration showing how difficult it has been to bring the people to accept the most necessary financial or monetary legislation. I think it would now require a search warrant to find anyone who does not approve the act for the resumption of specie payments passed in the winter of 1874-75. The object of that measure was to place our finances upon a sound basis, and after years of inflation and disordered currency to make every dollar issued by the Government worth its face value. It provided for the resumption of specie payments on the 1st day of January, 1879.

I wish to read briefly from an account of the reception given Mr. Sherman in the year 1878 when he made a speech at a prominent city in the Central West in advocacy of this law, which at that time every intelligent student of the subject approved and which now everyone who has given any consideration to the subject knows was a wise measure. It is unnecessary to read more than the headlines, which give an account of this meeting at which he appeared as an advocate of the resumption of specie payments:

Howled down. John Sherman's welcome home. Turbulent and riotous demonstration at his meeting. Men made beggars by him refuse to listen to his defense of the process, and the architect of national ruin receives a slight foretaste of the hereafter.

That was the kind of a reception given to a man who had brought forward perhaps the greatest and most beneficial legislation on the subject of finance that has been proposed in the last half century.

Mr. SMITH of Michigan. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. BURTON. Certainly.

Mr. SMITH of Michigan. The quotation of the Senator from Ohio loses much of its flavor by his failure to give the place where this riotous demonstration took place.

Mr. BURTON. I would a little rather not do that. It was not in Detroit.

Mr. SMITH of Michigan. Will the Senator give us the date?

Mr. BURTON. It was in the autumn of 1878, just a little while before the resumption act went into effect.

Mr. SMITH of Michigan. May I ask the Senator if it was at any place in Michigan?

Mr. BURTON. It was nowhere in Michigan. I fear, however, that there are localities in Michigan at which if he had appeared he would have met with the same kind of a reception.

Mr. SMITH of Michigan. The question that he was discussing was the burning question throughout the country, and other speakers were met with a degree of enthusiasm that has been very rarely surpassed even in my own State. But the eminence of this distinguished Ohioan and his service to his country were such at the time as to entitle him to courteous treatment anywhere in America for championing a principle so vitally related to the welfare of every American citizen, and I am surprised that he did not receive it.

Mr. BURTON. I wish to say that when I stated the fear that he might have received a similar reception at some places in Michigan it was not intended at all as a reflection upon that State, because in many States the prevalent misunderstanding in regard to finance was such that he would have received the same kind of reception.

Mr. President, the inference to be derived from this is that this commission ought to be continued. Let it be reorganized. Let the extravagant features be eliminated. It will only be

possible to file a partial report next winter, for, as I shall endeavor to show, there are a number of important subjects which that commission ought to consider. I desire to call attention also to the necessity of conducting a campaign of education in support of its recommendations, which could be best conducted by the continuance of that kind of an organization. The commission has a valuable library. It has the means for obtaining and for diffusing information. It has advantages which no committee of Congress, no set of men save those who have given attention to it for years, could possess.

While I am perfectly frank in expressing my criticism of the payment of members of the commission who are no longer Members of Congress, while I stand here ready to abolish their salaries to-day, I think we ought to hear the other side of the question. Every Member of this body and of the House knows how difficult it is to say "no" to the friends of those who desire to have them continued here in some official position.

There is a further argument to which I have briefly referred, that some members of the commission, while Members of the House or Senate, had given close attention to the questions under consideration, and it was thought desirable not to lose the aid of their valuable service.

I concede that some \$230,000 has been expended, partly for literature, partly for salaries of these ex-Members, partly for traveling expenses. Now, let us take those up in the inverse order. It was thought best that a subcommittee of the commission should visit Europe. Mr. President, their deliberations would not have been complete, they would not have been competent to make any recommendations, without that trip. No books on the subject can give the desired education. It is necessary to confer with those actively engaged in the banking business, to view the situation on the ground, to recognize the similarity and dissimilarity of conditions. As a result of all those investigations it appeared that no European system in its entirety would answer as a pattern for us to follow. Nevertheless, in every one of those systems there are features of such value as to afford the most helpful suggestions, and it would have been impossible to frame any laws relating to either banking or currency without a full consideration on the ground.

I wish to say that for some 10 days I was a member of the subcommittee at London, and it was very assiduous in its labors. We sat day after day from half past 10 in the morning until 7 in the evening and heard the leading bankers of England, who gave us information with a frankness which would not have characterized their answers to inquiries regarding the methods of their business if they were to be published.

But it is said that a large amount of money has been expended for a library. What was the fact, Mr. President? The commission found no adequate library on the subject of banking. There are a few very good books, but it would perhaps be invidious to mention them, because it would leave out others which some persons might consider of equal value. But, for instance, there was not until the commission undertook this subject any history of the Bank of England or of its operations which would make clear to an American student its methods and organization. Textbooks had been written on the subject, but they were framed with a view to informing those who were already familiar with general conditions in banking in the United Kingdom. Just about the time the commission began its work a book was written, which goes far to supply this void and which has been considered by the commission as a better textbook than any other on the subject. It has been translated into English. With the consent of the Senate, Mr. President, I will have inserted in my remarks a list of a few of the books which the commission has printed.

The VICE PRESIDENT. Without objection, permission is granted.

The list referred to is as follows:

- Fiscal Systems of England, France, Germany, and the United States, by J. O. Manson.
- The Discount System of Europe, by Paul M. Warburg.
- Special Report from the Banks of the United States, compiled by Charles A. Stewart.
- Digest of State Banking Laws, by Samuel A. Weldon.
- The Origin of the National Banking System, by Andrew MacFarland Davis.
- History of Crises Under the National Banking System, by Dr. O. M. W. Sprague.
- Statistics for the United States, 1867-1900, compiled by A. Piatt Andrew.
- The Use of Credit Instruments in Payments in the United States, by Dr. David Kinley.
- State Banking Before the Civil War, by Prof. Davis R. Dewey.
- The Independent Treasury System of the United States and Its Relation to the Banks of the Country, by Dr. David Kinley.
- Seasonal Variations in the Demands for Currency and Capital, by Dr. Edwin W. Kemmerer.
- Suggested Changes in Administrative Features of the National Banking Laws.
- The History of Banking in Canada, by R. M. Breckenridge.
- The Canadian Banking System, by Dr. Joseph French Johnson.

The English Banking System, by Hartley Withers, Sir R. H. Inglis Palgrave, et al.
 The French Banking System, by Albert Aupetit.
 The Reichsbank, 1876-1900.
 German Imperial Banking Laws, edited by Dr. R. Koch.
 The Swiss Banking Law, by Dr. Julius Landmann.
 Italian Bank of Issue, by Comm. Tito Canova.
 The Swedish Banking System, by A. W. Flux.
 The National Bank of Belgium, by Charles A. Conant.
 The Banking System of Mexico, by Charles A. Conant.
 Banking in Russia, Austria-Hungary, Holland, and Japan.

Mr. BURTON. The opinion has been expressed this morning—I think rather carelessly—that there is no value in any of these publications. Let me offer in opposition to that criticism the words of certain recognized experts in finance in this country and abroad.

Mr. CUMMINS. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. BURTON. Certainly.

Mr. CUMMINS. Inasmuch as I am the only person who has spoken on that matter, I assume the Senator from Ohio intends to impute that expression to me.

Mr. BURTON. Oh, no. I, perhaps, should have mentioned that it was the Senator from Idaho [Mr. HEYBURN].

Mr. CUMMINS. On the contrary, I tried to say with some emphasis that I thought the collection was very complete.

Mr. BURTON. The statement was not made by the Senator from Iowa.

Mr. CUMMINS. I did not want to criticize the commission in any way at all for the collection of the monographs upon financial subjects or the collection of the general literature which it has brought together.

Mr. BURTON. This is from Mr. Wesley C. Mitchell, in the Quarterly Journal of Economics of May, 1911:

What practical use the commission can make of this large mass of material in framing new bills for submission to Congress remains to be seen. But certainly economists interested in currency problems will find the publications of the commission a most valuable addition to their literature. * * * Continued use of this information must be made both by the commission in elaborating its bill and by all who take serious part in the discussion of that measure. Whatever may be the legislative outcome of the commission's labors, it has already performed a notable service by gaining fresh and diffusing old knowledge of the subject with which it deals.

The next is from the London Economist of November 5, 1910. It is probably unnecessary for me to say, Mr. President, that that journal has as high a reputation as any financial journal in the world:

The publications of the above commission are probably the most important contribution that has been made in modern times to the science and statistics of banking and currency, and the investigations of the commission are by no means narrowly confined, for they embrace such subjects as stock exchanges, public credit, and Treasury control.

The next is from Sir R. H. Inglis Palgrave, perhaps the most noted English writer and author on financial subjects, the author of a dictionary of political economy, of a book on the bank rates of England, and of numerous other works. He is the man to whom appeal is taken whenever any statistical work relating to banking is desired. He says:

There have in times past been many investigations into monetary conditions of the great countries of the world. From the report of the bullion committee, printed in 1810, onward, both our Houses of Parliament have made many inquiries into important matters connected with the subject. The great French Enquête sur les Principes et les Faits Généraux qui régissent la circulation monétaire et fiduciaire held at the request of the Conseil Supérieur de l'Agriculture, du Commerce et de l'Industrie commenced its investigations on February 7, 1865, and continued to December 28, 1868.

It will be noted that that was 3 years and 10 months, about equivalent to the time occupied by this commission by the beginning of the next session of Congress.

The history of their labors fills six solid quarto volumes. They received information from 119 chambers of commerce, besides associations representative of arts and manufactures in that country and representatives of foreign chambers of commerce from England, Holland, Switzerland, and Austria. They examined 137 witnesses, including among their own countrymen such economists as Leon Say, statesmen as Thiers, representatives of the Bank of France and the principal bankers of Paris, as M. Frey, who was at that time governor of the Crédit Foncier de France. Among English authorities such men as Walter Bagehot, William Newmarch, Thomas Hankey, governor at that time of the Bank of England; Charles Gairdner, of the Union Bank of Scotland; John Stuart Mill, and many other well-known men. The analytical statements of the contents extends over 126 pages—

Thus far it will be seen he has been eulogizing the work of this French commission—

but for amount of work and information collected, the labors of the National Monetary Commission of the United States exceed all its predecessors, both in quantity and value, even the great French inquiry we have described. The list of the publications issued by it and in preparation alone forms a pamphlet of more than 30 pages. The energy of Senator N. W. Aldrich dominated and inspired the work, and the Hon. A. Platt Andrew, now the Assistant Secretary of the Treasury, has been of great service in arranging and coordinating the work of the commission.

The following is from the Journal of the Institute of Bankers, which, with the Bankers' Magazine, is the leading publication on banking in England. It states, in its issue of November 9, 1910:

* * * Americans have nothing with which to reproach themselves so far as research into the conditions prevailing in other countries is concerned. The National Monetary Commission, appointed immediately after the crisis in the autumn of 1907, under the chairmanship of Senator Nelson W. Aldrich, to examine and report upon the banking systems of Europe, has now published the most important part of its reports, and the result is a mass of information upon the banking systems and methods of Europe with which there is nothing in the English language to compare for completeness and fullness of detail. To English bankers, as well as to Americans, the reports will be invaluable. Hitherto anyone wishing for a knowledge of the banking systems of continental Europe has been driven to read German and French publications upon the subject, the sources of information in the English language having been meager in the extreme; and for anyone to whom the language difficulty has been an insuperable obstacle authoritative information has been practically impossible. Now we have for our guidance, thanks to the efforts of the commission, not only a series of interviews with the leading bankers of England and continental Europe, giving the fullest details of the systems and methods in force in each country, but also translations of a series of monographs by leading experts, forming a voluminous encyclopedia of banking knowledge. To Germany as the country possessing a political constitution most nearly approaching that of the United States the greatest amount of space has been devoted, but the attention given to English and French banking is but little less thorough.

There have been some comments in regard to the duplication of salaries, et cetera, by this commission. I repeat that I am not going to defend the disbursements and engagements of that commission. I do not believe in the duplication of salaries, but I think an injustice has been done to Mr. Andrew. In 1908 he left a position as professor in Harvard University, which was entirely congenial to him, to act as secretary of this commission. For a considerable time he continued in the exclusive employ of the commission. I want to say that no one student of the subject, no practical financier, whoever he may be, has contributed more to the dissemination of monetary information, has initiated and made public more valuable ideas on banking, than Prof. Andrew. Even if it be true that he has received \$8,366.66—whatever the facts may be as to his receiving double pay during a part of that time—his services have been worth that and much more to the people of the United States. He has performed arduous and valuable services in superintending the publication of the library of the commission. Contracts with authors, translation, and proof reading have all been attended to by him.

Again it was stated, I know with some doubt and with no intention to do any injustice to the gentleman, that the librarian of the commission was receiving a double salary. That, Mr. President, is not the case. The librarian who is now employed formerly occupied a very responsible position in the bibliographical department of the Library of Congress, receiving a salary of \$1,500 a year. He was invited to leave that position and become librarian of the Monetary Commission at a salary of \$2,000 a year. He relinquished his old position and took the new. His experience as a bibliographer has been of great value in collecting this information.

I do not think very much importance is to be attached to the fact that his salary has been more than the aggregate cost of the books purchased. All the books in that library have not by any means been purchased at book stores. They have been collected from other departments of the Government. Public documents relating to financial subjects which were not available have been lodged in this library, thereby bringing together a valuable collection. I understand that the number of volumes and pamphlets is nearer 10,000 than 4,000, and the librarian has occupied himself during much of this time in compiling a bibliography of the subject. The Senate is to decide whether they wish to stop this work right here, or whether they are willing to continue it until a comprehensive library available to Senators and Representatives and to all students of the subject is collected. For myself (while I have no personal interest in this matter), and while like all the other Members of the Senate who belong to a commission, I am restive because it takes so much of my time, I do not believe it is best to bring the life of this commission peremptorily to an end next December. Let the members file a report and give to the public the benefit of their study of these monetary questions which now agitate the country, or which at least, if they do not agitate the country, should be live and burning questions, because they have so immediate a bearing upon the prosperity and general welfare of the people.

No doubt the commission needs reorganizing; no doubt salaries should be discontinued; but give them an opportunity to report. Then the field will be clear, and we can judge of the value of their recommendations and of the desirability of continuing the commission.

But what does the pending bill do? It proposes, at this time, practically without a hearing, without any knowledge of the value of the reports which they are expected to make, that this commission shall come to an end next December, thus passing judgment upon them before they are heard and before either the Senate or the House or the country can judge of the value of their work.

Problems upon which we ought to have information, and which should be solved, can not be adequately considered and reported upon by the 5th of December next, or I fear by the end of next winter, or even by the end of the next session of this Congress. If we pass this bill after we have created a commission and allowed it to expend very considerable sums of money in making investigations at home and abroad, we pre-judge the work which the members will do and destroy any benefit which they might accomplish.

Mr. President, what are some of the questions which should be solved by this commission? Attention has been directed within the last few days to the question of the consolidation of the holdings of bank stock.

It has been a distinctive feature of our banking business that it has not yet been affected by the movement toward combination and consolidation which has been apparent in transportation and in industry. There are several reasons for that, among which are the initiative and independence of the banker himself. He desires not to manage a branch institution, the head of which is located at New York or Philadelphia, but, rather, he prefers an institution of which he has sole control.

Again, the confidence placed in each special institution is an important factor in its success. Depositors and those desiring discounts come to place their trust in some particular institution. If that institution is absorbed by another, that confidence is in a measure lost.

Another factor in the situation is the closer supervision exercised over banking institutions by State and Federal authority. Their management must be supervised, in the case of national banks, by the Comptroller of the Currency, and any step which looks toward individual management or consolidation is carefully scrutinized. No such check exists in the case of industrial establishments. True, there are certain factors which tend toward consolidation, especially in the investment market, where certain great financiers have obtained control over the mammoth life insurance and trust companies of New York, so that when anyone desires to float a loan the number of opportunities for borrowing the money which he requires is limited. This, however, is a tendency which will in time probably correct itself, although just recently the formation of certain companies for the purpose of taking over bank stocks has been reported.

Mr. President, this is in line with that tendency toward combination which is so much in evidence; but I confidently assert that it is not in accordance with the public welfare. A corporation has been formed in New York closely affiliated with a great bank, the object of which is to acquire bank stocks. As I understand the fundamental principle of this organization, ownership of stock in the bank is accompanied by the ownership of the stock of this affiliated corporation formed for the purpose of buying bank stocks all over the country. If a shareholder in the bank desires to sell his stock, his holdings in the affiliated corporation go with that assignment. This plan threatens to create a condition which has been avoided in the past, and which we should be careful to avoid in the future. It seems to me that such an organization of two companies side by side, the one to conduct the banking business, and the other having the same stockholders, whose shares go with the shares of the bank, to acquire stock in other institutions, is contrary to law, and that the connection between them should be dissolved. If it is not dissolved, I desire to give notice here that at the proper time I shall introduce a bill to prevent any such combination.

I recognize the difficulties to be encountered in framing a bill to meet such a situation. Of course it is a perfectly proper thing for a savings bank or for a trust company to buy a certain amount of bank stock as an investment, and it would be difficult to frame a statute which exempted that class of investments or forbade this practice; but when the sole object is to accumulate bank stock in different portions of the country, it seems to me directly contrary to the best policy. It would be a decided check upon the usefulness of the proposed plan for a reserve association which has recently been presented to the Monetary Commission. This subject is a fit one for the Monetary Commission to consider and to investigate. I offer it as but one illustration of questions which are sure to arise, for this subject has been brought to public notice only within a few weeks. To meet such exigencies a body, such as the

Monetary Commission, would be useful in recommending and in framing legislation.

There are a number of other propositions which are before the commission on which no decision has been reached. The question whether bank examiners should be chosen by civil-service rules has been propounded. That was for a time considered by the members of the commission without arriving at a final conclusion.

Another question deals with the best method for the compensation of bank examiners. The present plan, under the statute in force, provides for their payment by the banks which they investigate. That saves money to the Federal Treasury, but whether it would not be better to have bank examiners directly and absolutely responsible to the Federal Government, and under no possible obligation, even indirectly, to the banks which they examine is a problem that requires careful consideration.

Again, under the present system there is an ever recurring temptation to slight a small bank, whose payment for examination is small, and to go to a larger bank, where the compensation is greater. This is a question upon which there should be mature deliberation and where some recommendation should be submitted to the Senate and to the House of Representatives. The following is a specific question before the commission for consideration:

In making assessments to provide a fund to pay examiners and other expenses, do you think the law should be changed so as to base the amount of this assessment on capital and gross assets rather than on capital alone, as the law now provides?

This is another question, although not of special importance. The compensation of the examiners is now based on the capital of banks. See where that leads us. One bank may have a capital of \$100,000 and deposits of only \$150,000, making its assets for lending purposes in gross \$250,000. Another may have a capital of \$100,000 and deposits of a million and a half dollars. It would be a much more serious task to examine the latter bank, with its \$1,500,000 of disposable assets, less reserves, and so forth, than the one having only \$250,000. I give these illustrations, Mr. President, to show that there is work for this commission to do, and the work should be done carefully. The following extract offers another problem for consideration:

Section 5200 of the Revised Statutes limits the total liabilities to any association of any person, company, corporation, or firm, but excepts bills of exchange in the following terms: "But the discount of bills of exchange, drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed." Evidently the intention in making this exception was to enable the owner of such paper to realize on it at once, preventing the necessity of tying his capital up in forms of indebtedness not of his own making. Frequently banks have allowed a liability of this class to greatly exceed in amount what they could legally take as a direct loan. Many failures have resulted from these excessive loans made to a single, or allied, interest.

Mr. President, if there is any one thing which has given stability to our national banks, it has been the limitation that not more than 10 per cent of their capital shall be loaned to any one individual or corporation. Only a few months ago, within my own knowledge, a State banking institution had loaned 60 per cent of its capital to one corporation. That corporation failed and the bank was wrecked. It appears that under the law as interpreted, under the guise of bills of exchange or the discount of commercial or business paper, the obligations which one person or firm assumes may be very much in excess of 10 per cent, and it is desirable to consider the question whether this exception should not be limited.

Here is another question:

In what manner do you think the law can be amended to remedy this condition and sufficiently limit the amount of paper of this character which a bank can properly discount?

Should the comptroller, in such cases, be given authority to take action, when, in his judgment, loans are being made in excess of the limit indicated by prudence and safety?

It is my firm belief that something should be done—though whatever regulations are submitted should be framed with the utmost care and consideration—in regard to the relation of a bank to its directors and officers. The statistics of failures show that a very large share of the banking failures may be counted as directly traceable to transactions with directors and officers of the bank, who have borrowed its assets. A greater degree of looseness, or lack of care, is manifest in making these loans than is shown in transactions with outsiders. As a result of this, many banks have failed.

Some have suggested the very drastic remedy that no loans whatever shall be made to directors of a bank. That would be going too far. In many smaller communities, especially, it would be impossible to organize banks if that rule were observed, because the men who would subscribe to the capital of

a proposed banking institution would expect to utilize the bank for their own accommodation. If the bank loans them money and exercises a reasonable and a usual degree of care, there can be no rational objection. I think the sentiment of the business world and of the banking community alike would oppose a rule entirely prohibiting bank directors from borrowing, but there is no doubt that there should be some regulation to prevent the abuse of this power.

One suggested regulation provides that no loan be made to any director except by the unanimous approval of all directors, so that the subject may be carefully considered. I think some way may be found to prevent the frequent recurrence of the failures which are traceable to that lesser degree of care which is exercised when directors borrow of banks. I have no doubt there are instances in which banks are organized for the express purpose of allowing a few insiders to get control of the assets of the institutions. Those, however, are the exceptions rather than the rule.

There is another problem demanding careful consideration—

Section 5205 of the Revised Statutes provides for the impairment of capital. Under the present law this impairment must be made good by a stock assessment within three months from the receipt, by the directors, of notice from the comptroller. If this is not done, the association is placed in liquidation.

Should not the comptroller have authority in such cases to protect depositors who may, during the three months specified, deposit their money in a bank in which he, the comptroller, knows the capital impaired? If so, in what manner do you suggest that such deposits should be protected? There have been many instances of bank failures, and some serious losses to depositors in such cases.

The question here presented is whether a hard and fast rule should be observed in all cases. Though it is very desirable, when capital is impaired, to have it replaced immediately, when the demand for the additional subscription is presented, there is always the contingency that in the meantime the bank will go on doing business and will fail to provide the additional capital, in which event depositors are subjected to serious danger of loss.

Another question, which is practically a repetition of one that I have already referred to, is suggested by the following:

In what manner would you suggest the limitation of borrowing from a bank by its officers, directors, or employees, both in making direct and indirect loans, and would you make any difference in such cases between officers and directors? Do you think any officer should be permitted to borrow from his own bank?

I think the answer of any careful student of the question would be, "Yes; but there should be some distinction between them." The fact that a man is cashier or director of a bank, with that partiality or that opportunity which is given to him, should subject him to exceptional regulations.

The following presents a problem that I do not regard as of so much importance:

The Supreme Court of the United States has held that it is unlawful for a national bank to purchase or invest in the shares of stock of other corporations—

A very good rule, by the way. No national bank should become a holding company—

but the laws of several States authorize the ownership of stock of national banks by other corporations. There have been several instances in which the directors of the holding corporation and of the national bank have been the same individuals, and when trouble arose the holding corporation became involved as well as the bank, and in such cases the possibility of double liability was entirely annulled.

I call attention to the fact, Mr. President, that in England and in some other foreign countries a very strict rule is in force requiring the shareholders of banks to be men of unquestioned financial solvency. It is a common custom when a bank is organized, say with a capital of £1,000,000, to pay in on the stock subscriptions only £250,000, or one-quarter of the total capitalization. In some cases the rule is one-half. If there should be any impairment of capital or any serious loss a collection is made from the stockholders. They start with £250,000 as a working capital. If their business increases or if they meet with losses they assess another 25 per cent or the whole, if necessary. It will readily be recognized that this plan can not be effective if the holder of a share, on which he has paid only 25 per cent, can assign it to any irresponsible or insolvent person, and therefore the ownership of the stock is reserved to those who have undoubted responsibility, and an assignment can not be made without the consent of the directors of the bank.

Here is a very important question, and it is in line with some things I have already said:

Would it be wise to provide against the holding of shares of national banks by any other corporation, except in cases when taken in satisfaction of debts?

If any more combinations are going to be organized like the one in New York, to which I have referred, that is a general question we must meet and answer—probably not by an abso-

lute prohibition, so that, for instance, a savings bank in Vermont may not, if it so desires, buy a little bank stock or stock of a life insurance company, but that no company can be established for the sole purpose of holding bank stock, thereby acquiring an undue amount of control over the banking interests of the country.

Under section 5211 of the Revised Statutes, which provides for bank reports, banks are not required to make them in duplicate, and in several instances the examiner has been furnished by the officers of the bank with a report entirely dissimilar from the one on file at the department in Washington, and, in using the imperfect report, he has found that the bank's books corresponded to it. This permits of deliberate falsification of accounts.

Would it, in your judgment, be wise to require that reports be made in duplicate, both reports being sent to the Comptroller of the Currency, and one copy furnished to the examiner by the Comptroller when about to undertake the examination of the bank?

I think no one will have any very great difficulty in answering that question in the affirmative.

The law as it now stands requires every national bank to keep on deposit with the Treasurer, in lawful money of the United States, a sum equal to 5 per cent of its outstanding circulation, to be used for the redemption of circulating notes. There have been many instances where banks have failed to promptly reimburse the Treasury for the redemption of their circulation, and, as the law now stands, the only recourse the Comptroller has is to sell the bonds held against circulation, or to appoint a receiver, either of which courses might be detrimental to the interests of the Government, the note holders, and creditors of the defaulting bank. At the present time the aggregate deficiency due the Treasury for this reason amounts to several millions of dollars.

Should not the Treasurer be authorized to, in some way, enforce this law without taking the extreme measures which are now provided, and, if your answer is in the affirmative, in what way would you provide for its enforcement?

Mr. President, all these questions show how, in time, various problems have arisen which were not suggested when the original plan for forming national banks was devised. Our national banking laws are largely a matter of growth and evolution. At the beginning there were certain fundamentals which still remain, but changes have been made here and there, some due to relief from the exigencies of the Civil War, some to the absence of any necessity for providing a market for the sale of Government bonds. Some changes have also been made because the original plan did not work well in practice. But there still remain these questions to be answered and to be solved.

But they assume little importance, vital though they are, in comparison with the great question of the reform of the banking and currency system of this country. If there is any one reform needed in our laws I assert that it is in our financial system. We have made wonderful progress, thanks to the buoyancy of the American people, our enormous wealth, and our readiness to meet and solve emergencies when they arise. But we have on several occasions been subjected to severe checks, causing ruin to thousands and a partial paralysis of industry, all of which could have been prevented by a rational banking system.

The first question for us to solve is how far it will be possible for us to follow the banking systems of Europe, where, after long trial and many experiments, every advanced country has adopted the device of a central banking institution, closely associated with the Government. The Bank of England is owned and controlled by private individuals, while the ownership of stock in the Bank of France is vested in private individuals, but a governor and two deputy governors are chosen by the State. In Germany the board of directors of the Reichsbank are chosen by the Government itself, but there is a separate board of supervisors chosen by the stockholders. A further regulation provides that the profits over and above a certain fixed amount shall go to the State.

Not only is it a fact that the central banks abroad determine the rate of discount and other matters of supreme importance, but it is also true that a decided tendency exists toward centralizing the note issue in one institution, instead of scattering it among many banks, as we did in the days of the old State banks. They do not have a motley currency such as we now have with our greenbacks, silver dollars, gold, national bank notes, gold and silver certificates, but one bank, such as the Bank of Germany, the Bank of France, or the Bank of England, controls the whole issue of currency.

Many earnest students of finance in this country have been advocating the formation of a central bank. The opponents of the central-bank plan fall back on the argument that the people are opposed to it, and in this regard I have to count myself one of the people. I do not believe a central bank will perform the same functions in the United States or be as free from monopolistic control as it is abroad, and so I do not advocate its formation. If a central institution or reserve association is organized, it should not be like the old United States Bank, existing under its two charters, an institution competing with private banks.

Much of the opposition to the old United States Bank at Philadelphia arose from the banking fraternity. They used this argument: "Here is an institution which has the prestige of being the fiscal agent of the Government. It issues bills under certain preferences and advantages. That bank is a competitor in the open market for deposits, and by its superior opportunity in extending loans and by the advantages which it possesses it enjoys an undue advantage over us." Whether we have a central bank or not, that much is certain. It should be a banker's bank, dealing only with the banks of the country, making its advances to them or to the Government and not to private individuals.

A central bank has not the same opportunity for success with us as in England, France, or Germany, because of the vast extent of our territory and the exceptional contrariety of interests. Notwithstanding the telephone and the telegraph and all the manifold means of conveying news from one portion of the country to the other, we have localities very widely separated, with distinct interests, with a varying degree of facility in obtaining credit, and with higher rates of interest in some localities than in others.

Then there is a second reason: Our people would not so readily respond to the control of bureaucracy or centralized management. The independence of the people is a factor in the situation. They are not accustomed to that bureaucratic control which prevails in France and in Germany, and it would be a long while before they would become accustomed to it.

There is also the danger of creating a monopoly of the banking business. How shall the stock be held? How shall the institution be controlled? Shall everyone have the right to subscribe? If that be the case, there would be the gravest danger that great financial interests would obtain such a share of the stock subscriptions of the central bank that they would exercise, I will not say absolute control, but an undue degree of influence upon the management. It is out of the question to have it controlled by officers of the Government, because that would mean a change with every changing administration. So, Mr. President, I think, at least for the present, we may dismiss the idea of a central bank.

The next question for consideration is this: How far should we adopt the branch banking system? In this respect there is a wide difference between banking methods in the United States and those prevalent in Europe, where the branch banking system is in vogue and has proved an ideal plan. If a bank at Paris has more funds than it can readily lend, it sends them to its branch in Lyon or Marseille or some country district, and, conversely, when there is a surplus of money in the country it can be sent to the central institution at Paris, thus being readily transferred from one part of the country to another, according to needs.

So in France the great central institution has about a thousand branches, a principal or special branch being located in each one of the more than 80 departments, and other branches scattered over the country. The Reichsbank, or Imperial Bank of Germany, has even more branches. The great Central Bank of England has perhaps 9 or 10 branches. But the business is transacted by joint stock institutions which have numerous branches scattered all over the United Kingdom. There is, however, a very wide difference between the management of these branch banks and that of the Bank of England. If application for a loan is made at Nottingham, or any branch of the Bank of England outside of London, it must be transmitted to the central office (at London) to be passed upon there, while if a similar application be made at a branch of any of the joint-stock companies the local manager has the right to dispose of it, say, up to \$100,000. The result is that the branch banks say they do not fear the competition of the Bank of England in their outside business.

We have no great central institutions with branch banks scattered all over the country. Occasionally a State banking institution may have some branches in the city in which it is located, or a few outside, but with rare exceptions each bank is an independent institution. Which is the better system of the two? That is the question for us to decide.

Mr. President, I am far from asserting that the time may not come when the branch banking system will be more generally adopted in this country. It would give greater strength and stability to each banking institution. It would enable, as is the case in England, consolidated institutions to shift their funds from one place to another where they are more needed.

The general history of the formation of the banking system of England is this: An institution established, say, in Lancashire, or some district where deposits were very considerable, after a few years of successful operation would find its avail-

able funds so considerable that in order to dispose of them it was obliged to establish an agency at London or some metropolitan center. In the course of time that agency became more important than the parent institution, and the head office was changed from Lancashire, or wherever it might be, to London. Other banks in various places were acquired where it was to their advantage to consolidate. Thus almost the entire banking business of the country in time became consolidated in a few prominent institutions, not more than 20 in number.

In the United States there is a strong feeling against consolidation, due to a prevalent opinion that it means monopoly. Again, if the branch banking system should be established in this country, one of two methods would have to be adopted: Either all loans must be passed upon by the local managers in various portions of the country or by the central management of the main institution. The latter plan would probably be regarded as the only safe policy to adopt. The plan of allowing the central institution to determine what loans shall be made would not promote the development of a new and growing country like ours. No central office at New York or Chicago could be sufficiently in touch with the needs of remote localities where loans might be requested to make adequate provision for them.

I may illustrate this fact by relating a conversation which I once had with a constituent of the Senator from South Dakota. He stated that 20 years ago he went out into what was then an unoccupied prairie. Some stalwart young men came out there and took up homesteads of 160 acres each and desired to buy cattle. Having hardly a dollar of resources, they came to him for loans to buy stock. He selected those who, as he thought, had a future, and made loans to them liberally; and he added, "To-day they are the wealthiest men and the leading citizens in that whole section; but had I been a mere manager of a branch bank, the head office of which was located in Chicago, I should not have felt free to lend a dollar to any one of them."

Mr. President, there are some other questions within the scope of investigation of the Monetary Commission, and I think while we are on the subject we might as well consider them. I recognize that in this torrid heat it is a burden for Senators to be present, but I think there should be placed before the Senate and in the Record some questions that are before the American people. The two great subjects which we must consider are banking reserves and an adequate currency. What is the reason why we do not have a better currency system? Everybody realizes the wretched condition that has been created, the injudicious character of the laws and regulations which have prevailed for so long, but strangely no one has come forward yet with a practical remedy.

What are some of the reasons for this condition, Mr. President? From the year 1791 to 1863 all our banking institutions were organized under State laws with the exception of the United States Bank. They showed a variety of regulations akin to those which now prevail in respect to other corporations. If a set of men could not do a banking business in the manner in which they desired in one State, they could incorporate in another.

The clash between the laws of different Commonwealths, the disadvantages of a system under which corporations organized in one State of the Union transact 95 per cent of their business in other States or abroad, did not begin with the recent trust movement. It was vividly displayed in the history of the State banks previous to the Civil War. In the matter of stock subscriptions there was no general requirement that the money should be paid into the coffers of the bank. Oftentimes the subscribers gave their notes for their subscription, and thus banks opened their doors without adequate capital—in fact, almost without capital at all. The result was that as soon as a squall came their doors were closed. It would hardly be correct to say that their capital was wiped out, for capital they never had.

In the midst of this confusion in banking regulations and this general instability there were some States that stood out prominently because of their excellent banking systems. In the far South the best examples were Louisiana and Tennessee; farther north, Indiana and Ohio; and, after many futile attempts the major part of New England succeeded in securing stability, though several States had institutions which failed disastrously.

Too much stress was laid upon the note-issuing privilege. These notes were secured in two or three ways. One was that in vogue in New York known as the safety fund, under which each bank was to pay 3 per cent of its liabilities into a safety fund. If any one of them failed, that fund of 3 per cent was applied toward paying its liabilities.

The system proved an absolute failure for a very obvious reason. The safety fund was intended to pay not merely the circulating notes which the bank had issued, but the amounts due to depositors and to all creditors. No distinction was made between the circulating notes which it issued and its general liabilities. Such a system was doomed to failure from the start, because it is hardly conceivable that in a new and growing country, with no regulations requiring capital to be paid in full, with no provision to prevent impairment of capital, a 3 per cent fund would be sufficient to pay all the obligations of the failing banks.

This system overlooked the vital difference between circulating notes and the other liabilities of a bank—a distinction which is essential in any banking system. The depositors of a bank are supposed to have some familiarity with its condition; they should know the reputation of its officials; they have before them statements periodically published showing assets and liabilities. Loans are made to banks by those who exercise a certain degree of judgment, such as the lender always exercises. On the other hand, its circulating notes go from hand to hand, over the widest expanse of territory, and are accepted with confidence that they carry absolute stability.

Then another system was tried in some States, according to which mortgage loans were to be taken, the money paid over to the mortgagors, and notes issued to the par value of those mortgages. This failed, and failed quickly, for a reason which can not be too much emphasized, namely, that the security for circulating notes must always be in a form readily available, upon which collections can be made in a very short time.

The third experiment was that of buying State, municipal, and other bonds and issuing notes equal to their par value. This plan was rather better than the others. It furnished a criterion for the note-issuing privilege for our national banking system when organized in 1863. But it proved in practice no better than the other two methods, because, as before, the bonds could not readily be turned into cash, and oftentimes were defaulted in interest, and proved to be of doubtful value.

There was another plan, under which banks might issue bills equal to a certain proportion of their capital, but in such event they were compelled to maintain a gold reserve. This met with somewhat better success than the other three, but depended entirely for its stability upon the degree of rigidity and care with which the maintenance of the gold reserve was required.

Then there originated what were called the wildcat banks, because they were located in remote localities where wild animals were somewhat common. A Secretary of the Treasury who had engaged in the banking business some 5 or 10 years before the Civil War, and who is still living, relates some very interesting instances of attempts to collect money on some of the bills of these wildcat banks.

After gathering together a collection of notes of a certain institution he performed the rather wild journey necessary to reach the town in which it was located and there found himself in a very unfriendly atmosphere. Suggestions were made to him that his presence was not altogether agreeable to the citizens of the place, for it was a prevalent idea at that time that anyone having a bank bill must pass it on, thus forming a sort of an endless chain, and anyone who asked for payment was considered an enemy of the community in which the bank was located.

In addition to all these disadvantages under this system there was such a plurality of bills, and they were so poorly executed, that no bank cashier or other expert could readily tell a genuine bill from a counterfeit. Sometimes the counterfeit displayed better workmanship than the genuine bill.

Such was the system that prevailed in the days preceding the Civil War, before we had sufficient regulation. It took long years to convince the American people that there was a better way. It took the exigency of the great conflict to make possible the passage of a national banking law under which the whole system of banking and currency is governed by strict and uniform laws and is placed under the supervision of a Federal official.

Now, why were the national-bank notes accepted with confidence when those secured by bonds and stocks prior to the Civil War did not succeed? Because they were supported by laws and regulations providing for security; because it was recognized that when a bill was issued the institution which put it forth must provide for its prompt redemption.

The national-bank notes were secured in three ways. First, by a deposit of United States bonds in the Federal Treasury, on which bills to a total amount of 90 per cent could be issued;

that is, if a national bank had \$100,000 in Government bonds which it deposited with the Treasurer of the United States, it could issue bills to the amount of \$90,000. That regulation has since been changed by the act of 1900, so that the bank may issue circulating notes up to 100 per cent, or the full par value, of the bonds.

But there was another security in the earlier days of the national banking system, since abolished, that the institution must maintain a reserve in the same manner as against deposits.

Still a third followed—that it must maintain with the Treasurer of the United States in legal tender 5 per cent of its total circulation, to be utilized for the redemption of any notes which might be presented to the Federal Treasury.

In order to do away with the circulation of the State banks an act was passed in 1865 imposing a tax of 10 per cent on their note issues, which, of course, almost immediately drove them out of circulation.

So, Mr. President, through decades; yes, generations of experiment, failure, and ruin the United States at last reached a currency system which had the merit of stability.

There are other essential features, however, of a perfect currency system which are still lacking, most important of which is elasticity, or response to the conditions of trade. How to secure sufficient elasticity is one of the problems before the Monetary Commission, and its correct solution is essential to the prosperity of this country.

I do not think there is much exaggeration in saying that we now have the worst currency system in the world, although we are proud of the absolute value of every dollar, paper or metal, now in circulation. The national-bank note, the greenback, the silver certificate, the silver and the gold coin, will now be accepted with utmost confidence in the remotest portions of the globe.

What is the reason that we do not have a good currency system? The main one, Mr. President, is quite obvious, though I do not seem to have heard it referred to as often as it deserves. It is that in all our legislation on finance and money we have never taken up the currency question as an independent proposition.

A glance at our monetary history will confirm this view. The greenbacks were issued in 1862. What was the object? Was it to give us a good currency system? By no means. It was to save the life of the Government. Our currency system had utterly broken down. It was difficult in 1862 to obtain money enough to pay either the soldiers in the field or the contractors. The fiscal operations in connection with the Civil War far surpassed those of any preceding year.

Mr. BRADLEY. Mr. President—

The PRESIDING OFFICER (Mr. CUMMINS in the chair). Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. BURTON. Certainly.

Mr. BRADLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Kentucky suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bailey	Chilton	Heyburn	Page
Bourne	Clapp	Johnston, Ala.	Perkins
Bradley	Clark, Wyo.	Jones	Root
Brandeggee	Crawford	Lodge	Stephenson
Bristow	Cullom	Martin, Va.	Taylor
Brown	Cummins	Martine, N. J.	Thornton
Bryan	Curtis	Myers	Wetmore
Burnham	Dixon	Oliver	Works
Burton	Fletcher	Overman	

Mr. JONES. I desire to announce that my colleague [Mr. POINDEXTER] is unavoidably detained from the Chamber.

Mr. HEYBURN. I move that the Senate adjourn.

The VICE PRESIDENT. The announcement of the result of the roll call has not yet been made. Thirty-five Senators have answered to their names. There is not a quorum present.

Mr. CUMMINS. I suggest a call of the absentees.

The VICE PRESIDENT. The Senator from Idaho [Mr. HEYBURN] has moved that the Senate adjourn. Does the Senator withhold his motion?

Mr. HEYBURN. I withhold my motion for the purpose indicated by the Senator from Iowa.

The VICE PRESIDENT. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators.

During the call of the absentees Mr. CHAMBERLAIN, Mr. NEWLANDS, Mr. SMITH of Michigan, and Mr. SMITH of South Carolina entered the Chamber and answered to their names.

Mr. BURNHAM. I desire to state that my colleague [Mr. GALLINGER] is necessarily absent from the Senate.

The VICE PRESIDENT. Thirty-nine Senators have answered to the roll call. A quorum of the Senate is not present.

Mr. CUMMINS. I suppose no business is in order, but I should like to ask the Senator from Ohio informally how long he expects to continue with his observations and what his notion is about the time when we may probably reach a vote on the pending bill?

Mr. BURTON. Mr. President, nothing is more difficult than to give an exact estimate of the duration of one's remarks. There are several subjects that I should like to touch upon, and I also desire to dwell at some length upon the proposed plan for a reserve association, familiarly known as the Aldrich plan, but I hardly anticipate that I could reach that to-night.

Mr. CUMMINS. I feel impelled from that answer to move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. The Senator from Idaho [Mr. HEYBURN] has moved that the Senate adjourn, and that motion takes precedence.

Mr. CUMMINS. I understood the Senator to withdraw the motion.

Mr. HEYBURN. I withheld it.

The VICE PRESIDENT. The Senator from Idaho withheld his motion. The Chair did not understand him to withdraw the motion.

Mr. CUMMINS. Then I can only express the hope that the Senate will not adjourn.

The VICE PRESIDENT. The question is on the motion of the Senator from Idaho that the Senate adjourn.

The motion was not agreed to.

Mr. CUMMINS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the mandate of the Senate.

After a little delay, Mr. SHIVELY, Mr. WARREN, Mr. BANKHEAD, Mr. BOBAH, Mr. SIMMONS, and Mr. SWANSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. A quorum of the Senate is present. If there be no objection, further proceedings under the call will be dispensed with. The Chair hears no objection.

DEATH OF REPRESENTATIVE GEORGE W. GORDON.

A message from the House of Representatives, by J. C. South, its Chief Clerk, communicated to the Senate the intelligence of the death of Hon. GEORGE W. GORDON, late a Representative from the State of Tennessee, and transmitted the resolutions of the House thereon.

The VICE PRESIDENT. The Chair lays before the Senate resolutions from the House of Representatives, which will be read. (H. Res. 274.)

The Secretary read the resolutions, as follows:

IN THE HOUSE OF REPRESENTATIVES, August 10, 1911.

Resolved, That the House has heard with profound sorrow of the death of Hon. GEORGE W. GORDON, a Representative from the State of Tennessee.

Resolved, That a committee of 18 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect this House do now adjourn.

Mr. TAYLOR. Mr. President, I offer the resolutions I send to the desk and ask for their adoption.

The VICE PRESIDENT. The Senator from Tennessee submits resolutions, which the Secretary will read.

The Secretary read the resolutions (S. Res. 133), as follows:

Resolved, That the Senate has heard with deep sensibility the announcement of the death of Hon. GEORGE WASHINGTON GORDON, late a Representative from the State of Tennessee.

Resolved, That a committee of nine Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased at Memphis, Tenn.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives.

The resolutions were considered by unanimous consent and unanimously agreed to.

The VICE PRESIDENT appointed as the committee on the part of the Senate under the second resolution Mr. TAYLOR, Mr.

BROWN, Mr. SHIVELY, Mr. BRADLEY, Mr. SMITH of South Carolina, Mr. JONES, Mr. WATSON, Mr. WILLIAMS, and Mr. THORNTON. Mr. TAYLOR. I submit an additional resolution.

The Secretary read the resolution, as follows:

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

The resolution was unanimously agreed to, and (at 4 o'clock and 32 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 11, 1911, at 12 o'clock m.

NOMINATIONS.

Executive nominations received by the Senate August 10, 1911.

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY.

John G. A. Leishman, of Pennsylvania, now ambassador extraordinary and plenipotentiary to Italy, to be ambassador extraordinary and plenipotentiary of the United States of America to Germany, vice David Jayne Hill, resigned.

Thomas J. O'Brien, of Michigan, now ambassador extraordinary and plenipotentiary of the United States of America to Italy, vice John G. A. Leishman, nominated to be ambassador extraordinary and plenipotentiary to Germany.

Charles Page Bryan, of Illinois, now envoy extraordinary and minister plenipotentiary to Belgium, to be ambassador extraordinary and plenipotentiary of the United States of America to Japan, vice Thomas J. O'Brien, nominated to be ambassador extraordinary and plenipotentiary to Italy.

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY.

John R. Carter, of Maryland, now envoy extraordinary and minister plenipotentiary to Roumania, Servia, and Bulgaria, to be envoy extraordinary and minister plenipotentiary of the United States of America to the Argentine Republic, vice Charles H. Sherrill, resigned.

Larz Anderson, of the District of Columbia, to be envoy extraordinary and minister plenipotentiary of the United States of America to Belgium, vice Charles Page Bryan, nominated to be ambassador extraordinary and plenipotentiary to Japan.

Arthur M. Beaupré, of Illinois, now envoy extraordinary and minister plenipotentiary to the Netherlands and Luxemburg, to be envoy extraordinary and minister plenipotentiary of the United States of America to Cuba, vice John B. Jackson, nominated to be envoy extraordinary and minister plenipotentiary to Roumania, Servia, and Bulgaria.

Lloyd Bryce, of New York, to be envoy extraordinary and minister plenipotentiary of the United States of America to the Netherlands and Luxemburg, vice Arthur M. Beaupré, nominated to be envoy extraordinary and minister plenipotentiary to Cuba.

John B. Jackson, of New Jersey, now envoy extraordinary and minister plenipotentiary to Cuba, to be envoy extraordinary and minister plenipotentiary of the United States of America to Roumania, Servia, and Bulgaria, vice John R. Carter, nominated to be envoy extraordinary and minister plenipotentiary to the Argentine Republic.

RECEIVER OF PUBLIC MONIES.

Albert Saylor, of Seattle, Wash., to be receiver of public moneys at Seattle, Wash., vice Frank A. Twitchell, resigned.

PROMOTIONS IN THE ARMY.

ORDNANCE DEPARTMENT.

Lieut. Col. J. Walker Benét, Ordnance Department, to be colonel from August 5, 1911, vice Col. Lawrence L. Bruff, who died August 4, 1911.

Maj. Odus C. Horney, Ordnance Department, to be lieutenant colonel from August 5, 1911, vice Lieut. Col. J. Walker Benét, promoted.

CAVALRY ARM.

Second Lieut. William C. F. Nicholson, Seventh Cavalry, to be first lieutenant from July 29, 1911, vice First Lieut. Robert Sterrett, Ninth Cavalry, detached from his proper command under the provisions of an act of Congress approved March 3, 1911.

COAST ARTILLERY CORPS.

Second Lieut. James L. Dunsworth, Coast Artillery Corps, to be first lieutenant from March 11, 1911, vice First Lieut. John G. Hotz, detached from his proper command under the provisions of an act of Congress approved March 3, 1911.

Second Lieut. Dana H. Crissy, Coast Artillery Corps, to be first lieutenant from March 11, 1911, vice First Lieut. Clarence A. Mitchell, detached from his proper command under the provisions of an act of Congress approved March 3, 1911.

Second Lieut. Francis G. Delano, Coast Artillery Corps, to be first lieutenant from March 11, 1911, vice First Lieut. Ralph D. Bates, detached from his proper command under the provisions of an act of Congress approved March 3, 1911.

Second Lieut. Raphael R. Nix, Coast Artillery Corps (detailed first lieutenant in the Ordnance Department), to be first lieutenant from March 12, 1911, vice First Lieut. Howard L. Martin, retired from active service March 11, 1911.

Second Lieut. James L. Walsh, Coast Artillery Corps (detailed first lieutenant in the Ordnance Department), to be first lieutenant from March 12, 1911, vice First Lieut. Raphael R. Nix, whose detail in the Ordnance Department was continued from that date.

Second Lieut. Henry H. Malven, jr., Coast Artillery Corps, to be first lieutenant from March 12, 1911, vice First Lieut. James L. Walsh, whose detail in the Ordnance Department was continued from that date.

Second Lieut. Edward L. Kelly, Coast Artillery Corps, to be first lieutenant from April 1, 1911, vice First Lieut. John E. Munroe, promoted.

Second Lieut. Thruston Hughes, Coast Artillery Corps, to be first lieutenant from April 1, 1911, vice First Lieut. Myron S. Crissy, promoted.

Second Lieut. Charles B. Meyer, Coast Artillery Corps, to be first lieutenant from April 2, 1911, vice First Lieut. Stephen Abbot, retired from active service April 1, 1911.

Second Lieut. Frederick A. Mountford, Coast Artillery Corps, to be first lieutenant from April 4, 1911, vice First Lieut. Walter K. Wilson, promoted.

Second Lieut. Fordyce L. Perego, Coast Artillery Corps, to be first lieutenant from April 12, 1911, vice First Lieut. John P. Terrell, promoted.

Second Lieut. Philip S. Gage, Coast Artillery Corps, to be first lieutenant from April 13, 1911, vice First Lieut. Malcolm P. Andruss, promoted.

Second Lieut. Monte J. Hickok, Coast Artillery Corps, to be first lieutenant from April 13, 1911, vice First Lieut. Offnere Hope, promoted.

Second Lieut. Frederick Hanna, Coast Artillery Corps, to be first lieutenant from April 13, 1911, vice First Lieut. Franc Lecocq, promoted.

Second Lieut. Theodore M. Chase, Coast Artillery Corps, to be first lieutenant from April 13, 1911, vice First Lieut. John O'Neill, promoted.

Second Lieut. William C. Koenig, Coast Artillery Corps, to be first lieutenant from April 13, 1911, vice First Lieut. Charles E. T. Lull, promoted.

Second Lieut. Harry W. Stephenson, Coast Artillery Corps, to be first lieutenant from May 27, 1911, vice First Lieut. Frederic H. Smith, promoted.

Second Lieut. John J. Thomas, Coast Artillery Corps (detailed first lieutenant in the Ordnance Department), to be first lieutenant from June 12, 1911, vice First Lieut. George W. Cocheu, promoted.

Second Lieut. Herbert H. Acheson, Coast Artillery Corps, to be first lieutenant from June 12, 1911, vice First Lieut. John J. Thomas, whose detail in the Ordnance Department was continued from that date.

Second Lieut. Willis Shippam, Coast Artillery Corps, to be first lieutenant from June 20, 1911, vice First Lieut. Halstead P. Councilman, detailed in the Ordnance Department on that date.

Second Lieut. Frank A. Buell, Coast Artillery Corps, to be first lieutenant from June 26, 1911, vice First Lieut. George E. Turner, detached from his proper command under the provisions of an act of Congress approved March 3, 1911.

Second Lieut. Loren H. Call, Coast Artillery Corps, to be first lieutenant from July 1, 1911, vice First Lieut. James B. Dillard, detailed in the Ordnance Department on that date.

Second Lieut. Frank D. Applin, Coast Artillery Corps, to be first lieutenant from July 7, 1911, vice First Lieut. Charles H. Patterson, promoted.

APPOINTMENT IN THE ARMY.

MEDICAL RESERVE CORPS.

Charles Ellsworth Treibly, of Pennsylvania, to be first lieutenant in the Medical Reserve Corps, with rank from August 9, 1911.

PROMOTIONS IN THE NAVY.

Commander Frank K. Hill to be a captain in the Navy from the 13th day of July, 1911, to fill a vacancy.

Lieut. Commander George W. Laws to be a commander in the Navy from the 1st day of July, 1911, to fill a vacancy.

Lieut. Joseph R. Defrees to be a lieutenant commander in the Navy from the 1st day of July, 1911, to fill a vacancy.

Lieut. (Junior Grade) William P. Gaddis to be a lieutenant in the Navy from the 4th day of March, 1911, to fill a vacancy.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of July, 1911, to fill vacancies:

Conant Taylor,

Arthur L. Bristol, jr., and

Stephen W. Wallace.

Passed Asst. Surg. Robert E. Hoyt to be a surgeon in the Navy from the 11th day of June, 1911, to fill a vacancy.

APPOINTMENT IN THE NAVY.

Robert F. Jones, a citizen of Virginia, to be an assistant surgeon in the Navy from the 2d day of August, 1911, to fill a vacancy.

POSTMASTERS.

COLORADO.

Robert E. Hanna to be postmaster at Windsor (late New Windsor), Colo., in place of Robert E. Hanna. To change name of office.

KANSAS.

August Ringwalt to be postmaster at Moundridge, Kans., in place of Olga A. Krehiel, resigned.

MAINE.

Hiram W. Ricker to be postmaster at South Poland, Me. Office became presidential July 1, 1911.

MASSACHUSETTS.

George O. Currier to be postmaster at Leicester, Mass, in place of Lyman D. Thurston, deceased.

MISSISSIPPI.

William J. James to be postmaster at Lyman, Miss. Office became presidential July 1, 1911.

NEW YORK.

Adolph Bluestone to be postmaster at Canaseraga, N. Y., in place of Adolph Bluestone. Incumbent's commission expired December 18, 1910.

Frank C. Wisner to be postmaster at Lowville, N. Y., in place of A. M. Lanpher, deceased.

OHIO.

John C. McManus to be postmaster at Jewett, Ohio, in place of John C. McManus. Incumbent's commission expired December 12, 1909.

PENNSYLVANIA.

George A. Carter to be postmaster at Meshoppen, Pa., in place of Sallie B. Gregory. Incumbent's commission expired December 15, 1909.

William H. Davis to be postmaster at Pittsburgh (late Pittsburgh), Pa., in place of William H. Davis. To change name of office.

William F. Gabrio to be postmaster at Lattimer Mines, Pa., in place of Samuel J. Gundry, resigned.

PORTO RICO.

Eugenio C. Manautou to be postmaster at Caguas, P. R., in place of Eugenio C. Manautou. Incumbent's commission expired January 30, 1911.

Victor M. Rivers to be postmaster at Rio Piedras, P. R. Office became presidential January 1, 1910.

WISCONSIN.

Peter E. Olsen to be postmaster at Rice Lake, Wis., in place of Peter E. Olsen. Incumbent's commission expired January 24, 1910.

CONFIRMATION.

Executive nomination confirmed by the Senate August 10, 1911.

POSTMASTER.

David F. Conrad, Lexington, N. C.

WITHDRAWAL.

Executive nomination withdrawn August 10, 1911.

Sidney A. Clark to be postmaster at Marathon, in the State of Wisconsin.